Austria . . . Sch. 18	Indonesia . . Rp 7500	Portugal . . . Esc 75
Bahrain . . Din.0.650	Italy . . . . . . L 1100	S. Arabia . . Rls 6.00
Belgium . . . . Bfr 38	Japan Y550	Singapore . . S$ 4.10
Canada . . . . C$2.00	Jordan . . . . Fils 500	Spain . . . . . Pta 100
Cyprus . . . Mils 600	Kuwait . . . . Fils 500	Sri Lanka . . . Rup 30
Denmark . . Dkr 7.25	Lebanon . . . . L 6.00	Sweden . . . . Skr 5.50
Egypt . . . . . E£1.00	Luxembourg . . LFr 38	Switzerland . . Fr 2.00
Finland . . . Fmk 5.50	Malaysia . . . . Rm 4.75	Taiwan . . . . NT $65
France . . . . Fr 6.00	Mexico . . . . Pes. 300	Tunisia . . . Din 0.600
Germany . . . DM 2.20	Morocco . . . . Dh 6.00	Turkey . . . . . L 160
Greece . . . . . Dr 80	Netherlands . . fl 2.50	U.A.E. . . . . Dh 6.50
Hong Kong . . HK$ 12	Norway . . . . Nkr. 6.00	
India . . . . . Rup. 15	Philippines . . Pes. 20	U.S.A. $1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,251 Monday February 20 1984 D 8523 B

EEC price controls prove good news for steel, Page 3

NEWS SUMMARY

GENERAL

Thatcher considers new union curbs

British Premier Margaret Thatcher has been strongly advised to ban industrial action in essential services, and to make the preservation of trade union immunities from civil action during disputes dependent on their observation of procedures in agreements.

At present she is under increasing pressure from unions and from some Conservatives to drop the plan to ban union membership at the Government communications headquarters at Cheltenham.

Mrs Thatcher's policy advisers urge her to continue the present pace of industrial relations reform while the unions appear relatively powerless to impede it. Page 6

The EEC's Vredeling proposals on industrial democracy legislation will be considered, separately, by Britain's Labour Party, Trades Union Congress and the Confederation of British Industry this week. Only the CBI is expected to oppose them. Page 16

26 die in hijack bid

When an Ethiopian trying to hijack a military aircraft realised that it was landing at Debre Zeit, the country's main air base, he detonated a grenade, killing at least 26, it was revealed yesterday.

Dublin bugging probe

Irish Premier Dr Garret FitzGerald ordered an inquiry into the bugging of a Dublin house used regularly by Northern Ireland SDLP deputy leader Seamus Mallon.

Botha's mission

South African Foreign Minister Pik Botha heads a delegation to Maputo today for talks on improving relations with Mozambique.

Dutch Labour vote

Dutch opposition Labour Party, largest single group in parliament, voted for abolition of East-West nuclear arsenals and greater EEC involvement in the Geneva arms talks.

Turkey blocks deal

Turkey, which does not want U.S. nuclear weapons to be removed from its soil, blocked an agreement after six days of talks with Greece, Bulgaria, Romania and Yugoslavia on the establishment of a nuclear-free zone in the Balkans. Page 3

Sikhs boycott talks

Sikh leader Sant Harchand Longowal has said his delegation will not attend a new round of Punjab peace talks this week in New Delhi.

Hungarian fraud case

Dr Ivan Kapusi, deputy general director of Hungary's game meat company, most of whose produce is sold to the West, has been charged with bribery, illegal foreign exchange dealings and customs evasion. Page 3

Twins win ski medals

U.S. twins Phil and Steve Mahre won the gold and silver medals in men's slalom skiing in the Winter Olympics at Sarajevo.

Beyond a joke

Frankfurt police has warned that two varieties of sneezing powder sold at novelty shops are a health hazard, and could quickly make children unconscious.

Briefly . . .

Haydn Mass manuscript found in Northern Ireland attic is to be auctioned in London.

Pope John Paul beatified 99 Roman Catholic victims of the French Revolution.

Liverpool port will be hit today by a protest strike against health service cuts.

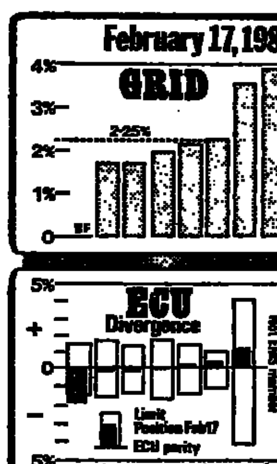
BUSINESS

Ariane satellite orders up to 27

EUROPE'S Ariane space rocket programme, given a boost by the failure of the U.S. space shuttle to put two satellites into orbit this month, now has orders worth FFr 6.1bn ($738m) to launch 27 satellites. Page 16

THE BELGIAN franc failed to respond to a one-point increase in the Belgian bank rate last week and remained close to its lower intervention points within the European Monetary System.

Central banks were again active in an attempt to keep the franc within its agreed limits.



Continued demand for the D-Mark as the dollar lost ground was seen as the primary factor behind the Belgian franc's weaker trend. The Italian lira also lost ground, as did the Danish krone and Irish punt.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

FRANCE'S foreign trade, after several months close to balance, showed a January deficit of FFr 5.47bn ($662m), the worst monthly figure since May, because of a sharp increase in imports, especially oil. Page 16

U.S. working group on reforming unitary taxation says it cannot produce a solution by its self-imposed deadline of next Friday. Page 6

TURKEY and the U.S. are to co-operate in building a $1bn tunnel under the Bosphorus in Istanbul. Page 6

ISRAELI Premier Yitzhak Shamir has flown to Brussels to seek protection for his country's agricultural products, which might suffer severely when Spain and Portugal join the EEC. Page 3

SWISS unemployment reached 36,805 at end January, highest since World War II at 1.2 per cent of the workforce. Asuag/SSIH, largest watch group, formed after a recent merger, is considering cutting 880 jobs.

AUSTRIAN exports to the Soviet Union were 14.6 per cent up in 1983 at Sch 10.8bn ($568m), and Soviet imports were 11.9 per cent down at Sch 14.9bn.

WEST GERMAN new vehicle registrations in January were 201,129, 12.5 per cent more than a year before and 20.8 per cent higher than December. Page 3

VENEZUELA will announce economic and austerity measures this week, including modifications in its multi-tiered exchange-rate system, said President Jaime Lusinthi. Page 2

SEARS WORLD TRADE of the U.S. is linking with Italian state industrial holding group INI and Genoa-based Coe and Clerici to form an Italian trading company. Page 6

Paris promises peace talks as lorry drivers step up blockades

BY DAVID MARSH IN PARIS

THE FRENCH Government yesterday faced an increasingly serious challenge to authority as large areas of the country fell to siege by irate lorry drivers mounting road blocks to hold up traffic.

The blockades, which started in southeast France at the end of last week, spread like a brushfire at the weekend in spite of strong denunciations by the Government and efforts by riot police and soldiers to clear roads.

Last night, however, peace efforts got under way as M Charles Fiterman, the Transport Minister, promised to start talks with truck drivers on Tuesday on the grievances of the road haulage business.

He set as a condition for the negotiations which he said would take place in a "constructive spirit," the lifting of the lorry barricades.

M Maurice Voiron, the leader of the organisation which claims to represent 80 per cent of French truckers, last night called on drivers to lift their blockade as of 8pm and return to their depots. It remained to be seen whether the drivers would heed his call.

The action, mounted by France's two road haulage confederations, began as an effort to hold up tourist traffic around Alpine ski regions. This was in protest at a work-to-rule by French customs officers last week which caused day-long delays to lorries using the French-Italian Mont Blanc tunnel.

The Alpine protests, which created enormous weekend traffic jams among would-be skiers heading for the slopes during the national school holidays, quickly developed into country-wide action by truck drivers calling for government measures to alleviate difficulties in the trade.

After a special ministerial meeting yesterday to discuss the dispute M Max Gallo, spokesman for the Socialist-Communist coalition, warned yesterday that the French economy would suffer unless the blockades were ended.

But negotiations to open the roads were held up by lorry drivers' insistence that police and soldiers should first be withdrawn.

About half of France's 95 departments (administrative divisions) were yesterday hit by blockades.

Lorry drivers' efforts to mount a "go slow" on the Paris ring road on Saturday evening were foiled by police. Other large towns singled out for the drivers' weekend protests included Strasbourg, Nantes, Clermont Ferrand, Bordeaux and large parts of the Lyon region.

Alpine ski resorts, which had laid in extra food to cope with the holiday rush, were bulging with skiers who either could not leave to go home or had been stranded while en route to other centres.

Occasional skirmishes broke out between angry motorists and truck drivers holding them up in freezing weather. But in spite of an outbreak of violence with police near the ski town of Cluses, lorry drivers and the forces of law and order generally restricted their clashes to verbal exchanges.

One lorry driver at the Cluses barricade set fire to his FFr 250,000 ($30,400) vehicle in protest and claimed he would do the same to the other 60 in his company fleet.

Meanwhile, French railways, which itself was hit by sporadic blockades in the Alps, laid on additional express trains to ferry holidaymakers to and from the Alps.

The lorry drivers dispute coincides with a wave of unrest across France over effects of government policies.

Against the background of simmering discontent by Breton farmers, an estimated 300,000 people marched in peaceful demonstration in the Britanny capital of Rennes on Saturday to protest at planned restrictions against Catholic schools.

Last Thursday a day of protest marches by civil servants angry at wage restraint brought traffic in large parts of Paris to a standstill. Today.

Underlining the increasingly political nature of the lorry drivers' dispute, M Gerard Deuil, a small business leader whose SNPMI confederation has been mounting a shrill anti-government campaign, yesterday called for a one-hour protest stoppage in French industry today to support the truckers.

Road haulage in France is made up of about 30,000, mainly small, businesses. Their principal grievances centre on official restrictions on driving hours, value-added tax payments and allegations that the Government is favouring rail rather than road transport.

Heavy fighting breaks out around Beirut as peace talks falter

BY PATRICK COCKBURN IN BEIRUT AND REGINALD DALE IN WASHINTON

Heavy fighting broke out last night between the Lebanese army and opposition Druze militia around the town of Souk al-Gharb, the last key Government-held position on the ridge overlooking Beirut.

The exchanges of fire, said to involve tanks, howitzers and artillery, erupted shortly after Israeli aircraft had attacked six positions around the Lebanese capital. The Israeli targets were all in Syrian or Druze-controlled territory and were made in an apparent bid to deter the Druze from launching an assault on Souq al-Gharb and to prevent Palestinian guerrillas from moving back into the areas.

Yesterday's renewed violence followed, as is invariably the case in Lebanon, the apparent faltering in attempts to negotiate a peaceful solution.

President Assad of Syria on Friday rejected an eight-point peace proposal put forward by President Gemayel of Lebanon which, while accepting the abrogation of the May 17 troops' withdrawal agreement with Israel, still contained elements disliked by the Syrians.

The Lebanese army said it had not been forced to give any ground in the fighting, but reported that several of its soldiers had been killed. Residents near the town said explosions could be heard at the rate of a dozen a minute.

A Druze attack on the town last autumn was only beaten off with the assistance of U.S. naval gunfire and Druze leaders insist that they intend to capture it. A resumption of fighting became more likely following the rejection by Syria on Friday of peace proposals put forward by President Amin Gemayel of Lebanon.

President Assad of Syria yesterday held a further round of talks with key Lebanese opposition leaders, including Mr Nabih Berri of the Amal Shia Moslem militia and Mr Walid Jumblatt, who heads the Druze. Both opposition leaders have demanded President Gemayel's resignation.

Mr Robert McFarlane, President Reagan's National Security Adviser, said yesterday he thought it was likely that Mr Gemayel would survive as president. He believed President Assad and Lebanese opposition leaders would consider the possible alternatives to President Gemayel to be worse from their point of view.

Mr McFarlane said it would not be in Syria's interest to overturn both Mr Gemayel and the Lebanese government at the same time.

Mr Moshe Arens, the Israeli Defence Minister, said yesterday that Israel would keep its army in Lebanon as long as there was no Lebanese Government that could make a "credible commitment" to stopping terrorist attacks on northern Israel from southern Lebanon. In the absence of such a commitment, the Israeli army would "have to stay put" he said on U.S. television.

Mr Arens said there were now perhaps 1,000 Palestinian terrorists in West Beirut, and that others were fighting alongside the Druze in the Chouf mountains.

Israel was putting pressure on the Druze not to allow the Palestinian fighters to come south to the Israeli lines.

A Druze spokesman in the town of Aley, which was one of those attacked yesterday, said that the PLO would not be allowed to return to Beirut. He denied that Palestinians were present in significant numbers during last week's fighting.

Druze leaders emphasised that they were in no hurry to move south from the coastal town of Damour towards the Israeli line on the Awali River or to assault the army garrison at Souq al-Gharb.

They emphasised that they intended to capture Souq al-Gharb but apparently want to see the 1,100 U.S. marines and the rest of the multinational force depart before they renew their offensive.

The evacuation of the marines is to start this week, U.S. officials say. The departure of the 1,400 Italian troops has begun, with some of their heavy equipment being moved on to transport vessels offshore yesterday. All but 100 soldiers defending a hospital are to depart today.

The Italian force in Beirut has always adhered to its original peacekeeping role and has made itself popular in the Lebanese capital. Only one Italian was killed in the 17 months since the contingent arrived. Some 259 American servicemen and 86 French have been killed over the same period.

The Italians will be the second contingent to leave Beirut, the British having pulled out 12 days ago. Only the French have said they will remain in the capital until the multinational force is replaced by United Nations troops.

Beirut background, Page 2

Abadan 'shelled by Iraqi forces'

By Our Middle East Staff

IRAN last night accused Iraq of shelling the town of Abadan at the head of the Gulf, damaging hopes that the two sides had agreed to halt last week's attacks on major population centres.

Iran also claimed that Iraqi aircraft had attempted to attack Abadan and nearby Khorramshahr, but were driven off by ground fire.

The lack of recent military communiqués from Tehran on the progress of its major offensive launched in the central sector of the front last week suggests, however, that the battle of first world war proportions predicted by senior U.S. officials could be avoided.

Iraq announced a week ago that it would cease its missile and air attacks on Iranian cities for seven days, if Iran took similar action. Iran responded on Saturday by agreeing to stop its retaliatory attacks, but pledged to resume immediately if there were any Iraqi violations.

Both countries agreed at the weekend to accept a United Nations' fact-finding mission aimed at assessing the damage suffered on either side of the border during the 40-month conflict.

Iran insisted that it would not have any political discussions with the UN team, apparently ruling out the possibility of a new mediation effort.

Iran's last military communiqué from the front on Saturday claimed further successes. It said that Iranian troops had captured another 60

Continued on Page 16

EEC ministers unable to agree on key reforms

BY JOHN WYLES IN ST CLOUD, PARIS

FOREIGN MINISTERS of the European Community ended an informal meeting near Paris last night unable to demonstrate any real confidence that the Community's growing political and financial crisis will be ended at next month's summit in Brussels.

None of the ministers would report in detail on their talks in a small chateau just outside Paris, and none was able to identify any significant narrowing of differences on the key issues of agricultural and budgetary reform. Nevertheless, M Claude Cheysson, French External Affairs Minister and host of the meeting, underlined the "unanimous wish" of all to achieve an agreement on March 19-20.

Failure, he said, could lead to "a cycle of measures and counter-measures . . . which will lead quickly to catastrophe."

While professing himself "mildly encouraged," Sir Geoffrey Howe, Britain's Foreign Secretary, did not claim that other Governments were any closer to satisfying the UK's demands for long-term cuts in its payments to the EEC budget than they were before the abortive Athens summit last December.

Sir Geoffrey appears increasingly resigned to having to fight a solitary battle on the budget issue. One of his main problems is an attempt by France to impose a five-year limit on any budget agreement and to keep the reduction in Britain's payments to less than 1bn European Currency Units ($817m.) These payments totalled more than ECU 2bn in 1982.

Such a time limit would be totally unacceptable to the UK, as would the budget cuts hinted at by France and several other member governments.

Sir Geoffrey bluntly told his colleagues that unless the British terms were satisfied, then the British Parliament would not agree to raise the ceiling of the Community's budget revenues and thus avert its technical bankruptcy. Even if a majority of seven, eight or nine Governments favoured a settlement, this majority "would be irrelevant" if the deal was not acceptable to the UK.

An attempt to make a breakthrough on this critical issue in the next three weeks will be based on a revised proposal from the European Commission. M Cheysson hopes that the one remaining formal meeting before the summit on March 12 and 13 could then hammer the proposal into some kind of shape for a settlement at the summit.

On other issues, the Commission has produced a revised plan for imposing stricter control over the growth of agricultural and other EEC spending which could be the basis for a summit agreement.

Less promising is the state of play in negotiations to achieve economies in farm spending and on the Commission's proposals for a virtual farm price freeze in 1983-84.

GM to repurchase Terex plant in UK

BY MARK MEREDITH IN EDINBURGH

GENERAL MOTORS of Detroit is to re-acquire its former Terex heavy earth-moving equipment business in Scotland, which went into receivership after the collapse last November of IBH Holding of West Germany.

GM remained a leading creditor of Terex after it sold its subsidiary to IBH in 1980. Terex has operations in the U.S., UK and Brazil. Terex of the U.S. is continuing to operate under Chapter 11 provisions of U.S. bankruptcy laws.

The purchase of the UK operations follows a $3m agreement, backed by the U.S. courts, under which GM acquired from Terex U.S. the licence to manufacture Terex products in Scotland and sell them in Europe, Africa and the Middle East.

A statement from General Motors last night said the acquisition was expected to be completed this month.

Blackwood Hodge, the announcement added, would continue to distribute Terex products.

Terex in Scotland produces heavy, off-the-road construction equipment, such as scrapers and diggers for the European, Middle East and African markets from its plant at Newhouse, east of Glasgow.

The announcement means General Motors is moving back into an area from which it consciously tried to depart with the rapid deterioration of the international market for heavy construction equipment.

The workforce at Terex in Scotland, which totalled over 1,400 last year, has been pruned to 750, but the plant has continued to manufacture and supply spares.

The agreement between GM and Terex in the U.S. gave the U.S. company financial assistance as well as parts in exchange for the licence and drawings and other rights to produce in Scotland.

Another Terex company in Brazil has not gone into receivership but its general manager said last week it was seeking a buyer.

UK funds see risk in $ fall

By Philip Stephens in London

THE RECENT fall in the value of the dollar has sent jitters through the ranks of British investment institutions and brought moves by several funds to reduce their exposure to a sustained drop in the U.S. currency's value.

Fund managers are not yet predicting any massive slide for the dollar and there are no tangible signs of a large-scale disposal of U.S.-denominated assets.

Many institutions, however, are taking fresh steps to hedge their U.S. investments against a dollar fall and thus protect the large profits they have made on American assets over the past two years because of the U.S. currency's strength.

Among the techniques being used are forward dollar sales on foreign exchange markets, option contracts to sell dollars, and dollar borrowings to match at least part of dollar-denominated assets.

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CONTENTS

Israeli bombers hit villages in warning to Druze militia

BY PATRICK COCKBURN IN BEIRUT

ISRAELI BOMBERS hit six villages to the east and south of Beirut yesterday in what appears to be a warning to victorious Druze militiamen, who defeated part of the Lebanese Army this week, not to extend their conquests too far.

The raids followed a grenade attack against Israeli soldiers in Sidon but for the first time, the Israelis hit the recently-captured villages of Damour and Naameh, saying they were striking at terrorist targets, as well as Bhamdown and Aley.

Just before the Israeli bombers attacked Aley, Mr Yassir Haidar, the Druze spokesman in the town, said the Druze were not allowing the Palestine Liberation Organisation back into Beirut "because of Israeli susceptibilities."

The Druze have also been moving slowly to consolidate their hold over the area of the Lebanese coast south of Damour which is still held by Christian militiamen.

"We are in no hurry to capture the area," a Druze leader said. He noted that Israeli armoured patrols had told Christian villagers not to rely on Israeli protection in the long term, but to pull back to Sidon.

The Druze also said they had no reason to try to storm Souq Al-Gharb, the last remaining government garrison on the mountain ridge overlooking Beirut.

After their victories over the last week, the Druze are anxious to see the Americans and other members of the multi-national force depart before they renew their offensive.

Their denial that they are about to attack Souq Al-Gharb looks convincing. The garrison has sown thick minefields around its position which is held by the Eighth Brigade, the best unit in the Lebanese army.

Travelling over mountain roads yesterday to the Druze headquarters, correspondents saw only limited artillery fire by either side. Two shells exploded on the other side of a valley down which they were travelling but these were isolated shots and not part of an intense bombardment carried on during the previous three days.

Many of the buildings along the road are pulverised by artillery fire. In the five mountain villages commanding the south end of the ridge line which the Druze captured last week, most of the buildings have been hit by artillery or tank fire, many of them several times. The villages of Baissour and Qabr Chamoun have a scorched and blackened look.

There are no signs of detachments of PLO fighters in Druze-held areas, though they certainly have a few men present.

All the units visible appeared to be Druze and neither they nor their Shiah Moslem allies in Beirut are willing to share the fruits of recent victories with the PLO or anyone else.

McFarlane expects Gemayel to stay on

By Reginald Dale in Washington

PRESIDENT REAGAN'S National Security Adviser, Mr Robert McFarlane said yesterday that it was "likely" that President Amin Gemayel would survive as leader of the Lebanese Government.

Both Syria and the factions opposing Mr Gemayel could well believe that all other alternatives were "worse from their point of view," Mr McFarlane said on American television. It could not be in Syria's interest to overturn both Mr Gemayel individually and the whole framework of Government at the same time, he said.

The U.S. would continue to give security assurances to states threatened by Syria in the region, including Jordan, Mr McFarlane said. Washington's hope was that such assurances, together with military co-operation, would enable King Hussein to take the risk of joining wider U.S.-sponsored talks with Israel and Egypt to negotiate self-government for the Palestinians on the West Bank.

Mr McFarlane defended U.S. policy in Lebanon, saying that one of its main aims had been to prevent another war between Israel and Syria.

Mr McFarlane said he was "very puzzled" by a report in yesterday's New York Times that the Reagan Administration had conducted secret discussions, through an intermediary, with Mr Yasser Arafat, the PLO leader, for nine months, starting in 1981.

Mr McFarlane said that, if the discussions had taken place, he was "very confident" that Mr Reagan had been unaware of them.

Jordan's embassy in Libya gutted

BY OUR MIDDLE EAST STAFF

THE JORDANIAN Government met in emergency session yesterday to consider what action to take following the destruction of its embassy in Tripoli, the Libyan capital.

Jordan has blamed Libya and said the attack was a "premeditated criminal act." Libya said only that demonstrators protesting over last week's visit to Washington by King Hussein of Jordan and President Mubarak of Egypt, had burned a flag outside the embassy.

Western diplomats in Tripoli confirmed that the embassy had been gutted by fire but the staff had managed to escape from the building. The attack underlines the intense pressure being exerted on King Hussein by radical Arab countries in an attempt to dissuade him from pressing on with plans for a negotiated settlement to the Palestinian issue in association with the U.S.

Gunmen have attacked Jordanian diplomats in several capitals, and only efficient action by the security forces have prevented large car bombs exploding in Amman.

Security measures in Amman are likely to be further tightened in preparation for the visit of Mr Yassir Arafat, the PLO chairman, who is scheduled to hold talks with King Hussein.

King Hussein is reported to be determined to try to win agreement with Mr Arafat on a joint negotiating position over the future of the Israeli-occupied West Bank, as suggested by President Reagan in his September, 1982, peace proposals.

If Mr Arafat declines to co-operate, King Hussein has the option of utilising Palestinian representation in the Jordanian Parliament as a negotiating vehicle.

Syria and Libya are bitterly opposed both to Mr Arafat's leadership of the PLO and King Hussein's ideas for solving the Palestinian question.

FINANCE MINISTER SEEKS RESCHEDULING OF UK TRADE ARREARS

Nigeria close to $3bn IMF accord

BY MICHAEL HOLMAN

A NIGERIAN delegation led by Dr Onalapo Soleye, the Minister of Finance, is due to hold talks in London today with Mr Nigel Lawson, the Chancellor of the Exchequer, on the rescheduling of British trade arrears, amid growing indications that Nigeria is close to agreement on an International Monetary Fund (IMF) loan of up to $3bn (£2.1bn).

The Nigerian delegation held two days of talks with the Fund in Washington last week. A successful outcome is seen as vital to the separate talks under way with official export credit agencies and major individual exporters to Nigeria on the rescheduling of some $6bn in short-term trade debts.

An IMF team is due to visit Lagos in early March, with a follow-up visit planned in April.

Officials close to the talks said last night that if the rate of progress was sustained, there could be formal agreement with the Fund by the end of June or early July.

The most sensitive issue has been the Fund's demand for devaluation of the naira as one of the conditions to the loan, but the two parties appear to have moved closer during last week's talks. Dr Soleye is reported to have told the Nigerian-American Chamber of Commerce that "disagreement on a devaluation is not substantive but technical."

Government officials from Nigeria's leading trading partners have made it clear that rescheduling of insured trade arrears will in effect be dependent on an IMF deal.

At today's talks with Mr Lawson, Dr Soleye is expected to give a progress report on talks with the IMF, and pursue the rescheduling of overdue payments to British exporters, which exceed £1bn.

The two men will also discuss a range of bilateral economic and commercial links. The minister, making his first visit to London since his appointment last month by Major General Muhammadu Buhari, Nigeria's military leader, will be holding talks with government officials in France and West Germany later this week.

Maputo in talks with S. Africa

By Our Foreign Staff

SOUTH AFRICAN and Mozambican ministers are due to meet in Maputo today for further talks on security and economic co-operation.

Officials from the two countries last met in mid-January. The most critical issue involves the South African-backed Mozambique National Resistance which wages a hit-and-run campaign against President Samora Machel's Government and the African National Congress whose guerrillas pass through Mozambique en route to South Africa.

There are growing signs that the two countries may agree on a non-aggression pact. The South African team will be led by Mr Pik Botha, Foreign Minister, and includes General Magnus Malan, Defence Minister.

The Mozambique delegation will be headed by Sr Jacinto Soares Veloso, Economic Affairs Minister.

AT & T to fight move on telephone charges

BY PAUL TAYLOR IN NEW YORK

AMERICAN TELEPHONE & Telegraph (AT&T), the U.S. telecommunications group which is emerging from its January 1 break-up, said yesterday it intends to file "an emergency petition" with the U.S. Federal Communications Commission (FCC), asking it to reconsider a move which the company says will seriously affect its 1984 earnings from interstate telephone traffic.

AT&T's emergency petition—which could be the prelude to court action—follows the formal filing earlier this week by the FCC of an order which would delay imposition of monthly flat-rate "access charges" for residential and single-line business customers until at least June 1985.

The access charges were originally designed as part of a package of pricing changes to end the subsidy of local calls by long-distance telephone traffic and introduce a new charges structure which would be based more closely on costs, allowing AT&T more effectively to compete with cut-rate interstate telephone service companies.

In addition to postponing the introduction of the new user charges, the FCC order, filed on Wednesday, would increase the fees paid by the other long-distance carriers to local telephone companies for using local telephone networks.

But it would still leave AT&T's competitors paying less than half the amount paid by AT&T and force the telecommunications giant to make up the difference to the local operating companies, the company said.

AT&T estimated yesterday that the delay in imposing the access charges would add $2bn (£1.2bn) to AT&T's expenses while forcing the company to subsidise its competitors "at a rate even higher than originally ordered."

As a result, AT&T suggested, its authorised 12.75 per cent rate of return on interstate traffic could be halved.

Punjab peace bid collapses

By John Elliott in New Delhi

EFFORTS BY the Indian Government to negotiate a peaceful solution to the sectarian problems of the Punjab in north-west India collapsed at the weekend when Sant Harchand Longowal, the main Sikh leader, refused to allow his delegates to attend resumed peace talks in New Delhi planned for this week.

About 22 people including five policemen have died during the past six days in clashes involving extremists among the Sikh and Hindu communities who did not want the talks to succeed.

One gun battle was fought around the enclosure of the Golden Temple of Amritsar, the Sikhs' holy city, which is a no-go area for police. But the Government is showing no signs of openly challenging the local authority of the Sikhs' more militant leaders by trying to enter the area.

Four people died yesterday in clashes in the state of Haryana which borders the Punjab, showing that the violence is spreading from Sikh areas to Hindu areas.

The collapse of talks has prevented progress to a solution of one of the most intractible internal problems faced by Mrs Indira Gandhi, the Prime Minister, as she approaches the general election she must hold within 11 months.

The Government had been hoping that a split which emerged last month between Sant Longowal and the most extreme Sikh leader, Jarnail Singh Bhindranwale, would open the way to a peaceful solution.

The death of an Indian diplomat at the hands of alleged Kashmir extremists two weeks ago in Birmingham made an early solution even more urgent for some ministers.

There were fears that Sikh extremists might decide to follow the apparent Kashmiri lead and step up their attacks.

Tripartite talks involving opposition parties and Sikh leaders were opened last Tuesday. But extremists among Sikhs and Hindus provoked clashes in the Punjab and the neighbouring state of Haryana which led to 11 deaths. The talks were adjourned the next day and after more deaths at the end of last week Sant Longowal announced on Saturday that his representatives would not attend resumed talks planned for this week.

He blamed a clash between police and Sikhs at the Golden Temple on Saturday which he said was "engineered" by the Government in New Delhi.

The Sikhs want economic and other concessions from the Government

Venezuela's austerity plans to be unveiled this week

BY KIM FUAD IN CARACAS

VENEZUELA WILL announce a package of economic austerity measures this week, including modifications in the nation's present multi-tiered exchange rate system, President Jaime Lusinchi said at the weekend.

The measures are expected to parallel proposals made by the International Monetary Fund as a prerequisite for refinancing the country's estimated $35bn foreign debt.

The President and his Finance Minister, Sr Manuel Azpurua, said that the bolivar, which now ranges from 4.3 to the dollar at the preferential level to 13 to the dollar on the free market, would gradually be moved to an intermediate parity.

Sr Azpurua indicated that the measures were expected to generate inflation of around 20-45 per cent this year on a gradual basis, compared with an artificially controlled price growth of 7 per cent in 1983.

New York state tries to save electricity company

BY WILLIAM HALL IN NEW YORK

THE STATE of New York has stepped into the battle to save the Long Island Lighting Company (Lilco), but the price for its help could be abandonment of the troubled Shoreham nuclear power plant which is virtually completed.

Lilco, which supplies electricity to many New York suburbs, has been hit by soaring costs and political opposition to its $4bn (£2.6bn) Shoreham nuclear plant 55 miles east of New York on the north shore of Long Island.

The utility's electricity is already among the most expensive in the U.S. and the costs and delays involved with the Shoreham plant threaten to push Lilco's rates higher.

The administration of New York has opened talks with Lilco in a move to solve its problems. The company has said that it could run out of cash by May or June and Mr Mario Cuomo, the Governor of New York, is anxious that this does not happen, or lead to the company sharply increasing its rates for electricity.

Several options are being discussed, including the abandonment of the Shoreham plant. Mr Cuomo is known to be opposed to the opening of the plant

Dr William Catacosinos, 53, a one-time nuclear management consultant, was appointed chairman and chief executive of Lilco at the end of last month, replacing Mr Charles Pierce, who had worked for Lilco for 34 years.

The new chief executive is understood to be willing to consider all alternatives to keep his company afloat, including abandoning the Shoreham plant.

Following Lilco's decision to pull out of the Nine Mile Point No 2 nuclear project in upstate New York, the Hudson Gas and Electric Corporation, another partner in the $4.2bn project, which is 80 per cent complete, says it might have to be abandoned, if a partner cannot be found to replace Lilco.

Sudan-Ethiopian talks

The Egyptian Foreign Minister, Kamal Hassan Ali was quoted yesterday as saying that Sudan and Ethiopia would hold talks soon to discuss the tension between them, Reuter reports from Cairo.

Governor of Macao at odds with council

By Robert Cottrell in Hong Kong

REPORTS FROM Macao say that a political row has broken out between the Governor of the Portuguese-run territory and its legislative council.

Macao's government radio station said on Saturday that the Governor, Admiral Almeida e Costa, will ask President Antonio Eanes of Portugal to dissolve the council. The Governor is also said to want changes in the procedures by which a new council would be elected.

Some members of the legislative council claim that the Governor has been "interfering" with the council's work. At a closed meeting on Thursday, the 17-member council decided to ask Lisbon to mediate in the dispute.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Pressure on Britain for early response to Argentine terms

BY ROBERT GRAHAM IN LONDON AND JIMMY BURNS IN BUENOS AIRES

BRITAIN will be under strong pressure to make an early response to Argentina's terms for resumption of normal diplomatic and commercial relations.

The Argentinian terms were conveyed to the British Government last Friday and were a reply to British conditions for normalising relations after the Falklands conflict.

Argentina has made an important concession in agreeing to put on one side the sensitive issue of Falklands sovereignty. President Raul Alfonsin made it clear the concession was designed to underline his country's willingness to establish a dialogue.

But the risks of this concession within Argentina are substantial.

In a statement apparently aimed at preparing opinion for the acceptance of a dialogue, Sr Dante Caputo, Foreign Minister, said yesterday that the latest Argentine message offered "the maximum concession possible" that his country could make "in a spirit of dialogue and goodwill."

"If—as a result of Argentina's latest initiative—there is a hardening of the British position, it will become clear to international opinion which of the two sides is unwilling to start a dialogue," he declared.

The Argentine Government's refusal to spell out the contents of last Friday's message is in direct response to British diplomatic insistence that any conversations between the two sides should henceforth be conducted in the utmost secrecy.

But government officials in Buenos Aires privately indicated that the main concession contained in last Friday's message was that Argentina has dropped its insistence that its sovereignty be explicitly accepted as a condition of normal relations. All it is insisting on is that discussion of sovereignty is not specifically ruled out.

Argentina essentially appears to be proposing a two-tier approach to future talks with Britain. Conversations would start on peace and normalisation of relations, including the points raised by Britain in its proposal on January 26, but with the essential addition from Argentina's point of view that the 150-mile protection zone around the Falklands be removed and that fortification of the islands be frozen. Formal talks on the island's future would follow later.

One interesting indicator of the changed climate will be a meeting of the Paris Club later this week to discuss Argentina's debt. This will be attended by Sr Bernardo Grinspun, Argentine Finance Minister.

Bankers say there has been no sign of diplomatic pressure by Britain to take a hard line on debt renegotiation. But the renegotiating process will be considerably eased in the case of British banks if diplomatic and commercial relations are restored.

Hungarian official on corruption charges

By Leslie Colitt in Berlin

DR IVAN KAPUSI, the deputy general director of Hungary's game meat company, has been arrested and charged with bribery, illegal foreign-exchange dealings and customs evasion.

The bulk of Hungarian game is sold to the West, and Dr Kapusi was said by the Hungarian newsagency MTI to have misused trade contacts with West Germany for personal enrichment. The authorities are said to have found a large sum of hard currency in his flat.

Mr Peter Veress, the Hungarian Foreign Trade Minister, said the value of Hungary's hard-currency exports last year was 10 per cent less than target, while convertible-currency imports fell 6.4 per cent.

A loss of $180m was incurred largely in food exports because of the serious drought in Hungary, which affected agricultural production.

Hungarian exports to Western industrial countries were up 11 per cent in 1983, while imports from these countries fell by 9 per cent. The largest increases in exports were to Austria, Switzerland and the U.S.

Mr Veress said trade with EEC countries, which makes up 60 per cent of Hungary's hard currency trade turnover, registered a deficit.

The share of agricultural sales to those countries is steadily decreasing, he said, because of prohibitive EEC quotas.

Exports to developing countries, which take 12 per cent of Hungary's exports, were negatively effective last year, according to the minister. He said sales to Iraq, Iran and Syria especially had fallen.

This year Hungary is aiming for a $700m to $800m surplus in its convertible currency trade, Mr Veress said.

W. German car sales and output increase

BY JOHN DAVIES IN FRANKFURT

CAR SALES in West Germany continued to be buoyant last month, with new registrations reaching nearly 184,000 or 15.8 per cent more than in January last year.

This is the highest January total for four years, although still 15,000 down on the figure for January 1980.

Registrations of all types of vehicles – including trucks, buses and agricultural vehicles – reached 201,000 last month, up 12.5 per cent on a year ago. This is also the best January figure since 1980 although lagging 17,000 behind the figure for that year.

Motorcycle sales in West Germany are still weak, registrations last month running 37 per cent below those of a year ago at 5,000.

Car sales last year ended a four-year decline in West Germany as the economy began to recover. New registrations rose 12.6 per cent to 2.43m, with imports taking 27.2 per cent of the market.

As sales picked up on the domestic market and in some key export markets, West German car makers last year increased their output for the third successive year to 3.87m, up 3.1 per cent.

Swiss unemployment up 1.2% by end of January

BY ANTHONY McDERMOTT IN BERNE

UNEMPLOYMENT in Switzerland reached its highest level since the Second World War at the end of January.

According to figures released by the Government Office for Industry Business and Employment (Biga), there were 36,805 registered as fully and partially without work. The latter usually averages about 6 per cent, and the overall statistics do not reflect seasonal labour from abroad.

The percentage increase of the workforce unemployed rose by the end of January to 1.2 per cent compared with 0.9 per cent, last year. Over the year from January 1983 the numbers of those fully unemployed rose from 27,864 to 34,518 – a jump of 23.9 per cent.

The sectors worst hit by Switzerland's slow recovery from recession were office workers (6,157), industry (especially watchmakers 4,884), and the hotel and restaurant trade (2,769).

Unemployment was highest in the cities of Jura (per cent), Neuchatel (2.9 per cent), and Basle (2.63 per cent).

These figures are not alarming, however, by European standards. Seasonal factors, such as registration deadlines – especially under last year's new law – always produce a peak at the end of the year.

But Switzerland's small size, with a population of about 6.4m including foreigners, magnifies awareness of this problem.

Concordat link with Ambrosiano announcement

By Alan Friedman in Rome

ITALIAN DELEGATES at last week's Geneva talks on the financial settlement of the Banco Ambrosiano affair, pressed international creditor banks to announce an agreement in principle, despite unresolved technical issues, in order to coincide with the signing on Saturday in Rome of the new concordat between Italy and the Vatican.

Bankers at the talks said, the Italians wereeager for an early statement on the Ambrosiano settlement—which includes a $250m payment by the Vatican bank—because of domestic political considerations.

Draft agreement was actually reached 12 days ago during a crucial Zurich meeting, they said.

Technical and legal details, meanwhile, will delay for a week the despatch by telex of the formal Ambrosiano settlement to 120 creditor banks worldwide.

The details include the procedure for liquidating Banco Ambrosiano Holding (BAH) Luxembourg, the main overseas arm of Ambrosiano, which is being managed under a court order by London accountants, Touche Ross.

Agreement blocked at Balkan nuclear talks

BY ANDRIANA IERODIACONOU IN ATHENS

SIX DAYS of talks between Greece, Turkey, Bulgaria, Romania and Yugoslavia on Balkan co-operation and the creation of a nuclear-free zone in the region have ended in Athens without agreement on the key de-nuclearisation issue.

Agreement was blocked by Turkey, which does not want to remove U.S. nuclear weapons from its soil.

A final communique issued on Saturday left some doubt about the future of the Balkan conference, conceived by Dr Andreas Papandreou, the Greek Prime Minister.

The communique said Romania had proposed that a further round of talks in Bucharest be held this year, but said the Balkan governments would "make their views known" about holding the next round after studying the results of the sessions in Athens.

Romanian officials conceded that future talks would have to accommodate Turkey's opposition to de-nuclearisation, by concentrating mainly on the less thorny issues of general regional co-operation.

"Confidence-building measures should be the first priority. We all agree that relations in the Balkans should improve," said Mr Romulus Neagu, the head of the Romanian delegation.

The Athens communique skirted around the lack of agreement on de-nuclearisation by saying delegations had "presented their positions" on the issue.

The agenda included talks on the peaceful use of nuclear energy, the protection of populations in the Balkans from the use of nuclear arms in other regions, and co-operation in the field of the economy.

More protests over transfer of priest by Glemp

By Christopher Bobinski in Warsaw

PROTESTS CONTINUED over the weekend at Ursus, just outside Warsaw, against a decision by Cardinal Jozef Glemp, to transfer Fr Mieczyslaw Nowak, who is an outspoken supporter of ideals of the banned Solidarity movement.

Since last Wednesday, when Fr Nowak was told to take over a bleak rural parish 75 miles west of Warsaw, people have stayed day and night in the Urus church and on Friday two men and two women started a hunger strike there.

The protestors want the decision to transfer Fr Nowak suspended until Cardinal Glemp returns from a visit to Brazil and Argentina on March 12.

Inquiry ordered into Irish bugging

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Prime Minister, Dr Garret FitzGerald, has ordered an investigation into the placing of bugging equipment at a Dublin house used by a leading Northern Ireland politician.

Irish police have denied any responsibility for placing the equipment at the house where Mr Seamus Mallon, deputy leader of the Social Democratic and Labour Party (SDLP), regularly stays.

One theory being worked on is that the bugs may have been placed by the IRA in an effort to discredit the police.

Weight is given to that theory by the fact that the operation was clumsy and the equipment easily discovered.

Mr Charles Houghey, opposition leader, said he had an open mind as to who was responsible and whether it was internal or external agents.

He thought it might be linked to attempts to influence the outcome of the New Ireland Forum, where proposals are being drawn up for constitutional changes in Ireland.

The minimum price regime's success has heartened producers, reports Ian Rodger

EEC sees light at end of steel tunnel

THE EARLY success of the European Commission's minimum price regime for steel, introduced at the beginning of the year, has restored some hope that the Community's severe steel industry problems are at long last on the way to being solved.

Last week, the Commission, after lengthy consultation with producers, concluded that trading conditions in the major steel markets had improved sufficiently since the autumn to warrant raising the mandatory minimum prices by about 2 per cent on April 1.

To anyone unfamiliar with the EEC steel industry, it may seem odd that the success of an administered price system should be heralded as a promising development.

But the EEC steel industry has not been subject to normal market forces for at least seven years. A surge of capacity expansion in the early 1970s in many Community countries was followed by a slump in demand in the wake of the first oil crisis.

But many Community governments have been reluctant to allow their steel producers to reduce capacity and output because of the consequent job losses, and so normal market forces have been undermined.

For example, even though demand has been improving for several months in Britain and West Germany—two of the Community's principal markets—prices deteriorated sharply last autumn as every EEC producer concentrated their efforts in selling in these markets.

The imposition of mandatory minimum prices at the beginning of this year was only the latest of a number of measures—production quotas, published price lists, import restrictions—imposed by the Commission in the past few years in an attempt to restore stability to the market until capacity was reduced to reasonable levels.

Given the failure of the previous measures, there was considerable scepticism both in Brussels and among EEC steel producers that the minimum prices would fare any better. But producers throughout the Community now acknowledge that the system has been a success.

Prices in the important West German market have risen from 7 to 14 per cent to reach the minimum levels. In France, they have come up 6-10 per cent, and in Britain, which is insulated to some extent from Continental price movements, about 2 per cent.

Producers cite a combination of favourable factors that has led to this recovery and provides them with hope of further progress:

● First, all the main producers want to achieve higher prices. Even the most efficient among them have been suffering huge losses, and European prices are as much as 25 per cent lower than U.S. prices. Most of the big producers urged Brussels to raise the minimum by more than 2 per cent on April 1.

● For those producers tempted to sell under the minimum prices, the Commission's penalty system, although cumbersome, is proving to be a strong disincentive.

Each producer is required to deposit the equivalent of £8.55 at a bank for every tonne of steel shipped, and forfeits the deposit if the minimum is not respected.

● Any temptation to break the rules has also been reduced by the improved balance achieved between supply and demand. On the one hand, the Commission cut first quarter production quotas slightly, while on the other, demand continued to rise in some countries.

A 5 per cent rise in West German steel production has been forecast for this year and in Britain, steel output in January was 10.9 per cent higher than a year earlier.

Another factor is the agreement by Kloeckner Werke of West Germany last month to begin respecting the quota system. It had maintained high production at its large hot-strip mill in Bremen despite quota restrictions and has been fined more than DM 160m (£41m).

The Commission has also been developing a system for keeping import quotas in line with movements in demand within the Community, and a few days ago signalled a tougher attitude to low price imports by imposing a provisional anti-dumping duty against imports of reinforcing bars from Spain.

● EEC industry Ministers last month approved the renewal of the steel crisis regime for a period of two years. Last July, they had renewed it for only six months, and producers believe that uncertainty about its continuation helped upset markets alter in the year.

● Moreover, the unusual calm of the last ministers' meeting suggests that some governments, especially that of Italy have finally become more concerned about the soaring cost of steel subsidies than about obtaining special concessions for their national producers.

Finsider of Italy lost L2,1000bn (£875m) last year, the two French state controlled producers together lost about FFr 9bn (£755m), Thyssen Stahl of West Germany lost DM 550m (£142m) in the year to September 30 1983, and the British Steel Corporation expects to lose over £200m in the year to March 31 1984.

The Community is committed to eliminating subsidies for steel producers by the end of 1985, and everyone knows that the only way to achieve this is by further reductions in capacity.

The Commission has ordered cuts of 26.7m tonnes—16 per cent of 1980 capacity—by the end of next year, but the medium-term outlook for EEC steel demand continues to weaken. The Commission is now forecasting that producers will still be operating at only 70 per cent capacity in 1986.

Most producers remain sceptical that the industry will be back on its feet by the end of 1985, but the current improvement in prices is the best news they have had in a long time, and they are enjoying it.

Israel seeks exports protection

BY DAVID LENNON IN TEL AVIV

MR YITZHAK SHAMIR, the Israeli Prime Minister, flew to Brussels yesterday to ask for protection for his country's agricultural exports which could be severely hit when Spain and Portugal join the European Community.

He will also discuss the Lebanese situation with European foreign ministers who are meeting in Brussels this week. His meeting with M Claude Cheysson, the French Foreign Minister, is expected to be especially important in view of Paris initiatives to create a United Nations peacekeeping force for Lebanon.

His main concern in Brussels, however, will centre on trade, especially the dangers posed to Israel's $500m annual agricultural exports to the EEC by the Spanish and Portuguese accession. Some 95 per cent of Israel's agricultural exports go to Europe.

"It could be a catastrophe for us," commented one official, who claimed that Israel's citrus exports will face annihilation when the Community is opened up to citrus imports from the Iberian peninsula.

Mr Shamir will lead the Israeli team at the first meeting of the EEC-Israeli Council of Co-operation since 1980. The Israelis will seek aid in reducing the trade deficit which reached $1.7bn last year. This represents more than 50 per cent of the nation's total trade deficit.

Israel believes that many of the advantages it gained from the 1975 agreement with the EEC have been eroded by agreements the Community has since made with other countries.

One of the main Israeli demands will be that its agricultural exports should not have to compete from a disadvantaged position against other Mediterranean countries, such as Greece and Spain.

The Premier will also press the Community to insist that Spain establishes full diplomatic relations with Israel as one of the conditions of its entry to the EEC.

While in Europe, Mr Shamir will also visit the Netherlands where he is to meet Queen Beatrix as well as leaders of the government. In Brussels, he will also meet his Belgian counterpart.

U.S. states force delay on unitary tax talks

BY NANCY DUNNE IN WASHINGTON

THE U.S. working group on unitary taxation has abandoned all hope of finding a solution to the dispute over the tax practice by its self-imposed deadline of February 24 following the insistence by officials from the U.S. states that more time is needed to assess the implications of dropping the tax.

Mr Donald Regan, the Treasury Secretary, had hoped to have a set of recommendations ready for the U.S. Governors' conference meeting in Washington at the end of the month.

He had asked the working group to search for solutions which could be implemented by the states, rather than a Federal law which would simply abolish unitary taxation.

The growing practice of taxing corporations on the basis of their world-wide earnings has drawn threats of retaliation from the U.S.'s trading partners.

Fiscally starved states, searching for a means to replace federal funding lost under the Reagan Administration, have turned increasingly to unitary taxation.

But the states led by Governor George Deukmejian of California have insisted that they need at least a month to assess the economic implications of the various options submitted to them by the working group.

Corporate interests in the working group are said to have worked principally on trying to convince state officials that multi-national corporations are not all "evil" companies, trying to avoid paying their taxes.

The solutions recommended are only small changes, one official said, designed to assure the states that the information they feel they need to assess the revenues obtainable from other forms of taxes will be made available from the federal Government.

The combination of these changes, plus the threat that corporations will stop doing business in states using the unitary tax system may convince states to abolish unitary taxation themselves, the working group hopes.

U.S. secures role in $1bn tunnel under Bosphorus

BY DAVID BARCHARD IN ANKARA

TURKEY AND the U.S. are to co-operate in building a new $1bn tunnel under the Bosphorus in Istanbul, U.S. officials have announced. A feasibility plan for the 12km railway crossing is to be prepared by the U.S. Agency for International Development and a Turkish-American joint venture company will be set up.

The metro line will run from Yenikapi on the European side of the Bosphorus to the new railway station at Soguthucesme on the Asian side. A spur from Yenikapi to the Golden Horn is expected to be built later.

The crossing will consist of over 9,000 metres of tube, of which 7,200 metres will be underground and 2,000 metres submerged. The railway line eastwards from Soguthucesme is expected eventually to link up with the line to Ankara and Eastern Turkey.

The tunnel is expected to cost about $550m and the metro $450m, most of which will be covered by U.S. credits.

Turkey's first Bosphorus crossing, a road bridge designed by Freeman Fox of the UK and built by an Anglo-German consortium Cleveland Hochtief, was opened in 1973. It already suffers severe congestion at peak hours.

The outgoing Ulusu Government last year signed a $6m contract with Freeman Fox for the design of a second bridge. The award was strongly criticised in private by U.S. officials in Ankara who had expected it to be awarded to an American contender.

Boost for ITT's international strategy

By Paul Taylor in New York

ITT, the U.S.-based diversified multinational conglomerate, has signed its first U.S. production order for its advanced System 1240 digital telephone switching exchange with United Telephone of Florida. The equipment is expected to be supplied by ITT's European manufacturing operations.

The contract, which calls for a local central office exchange equipped with 12,000 lines to be installed by the end of 1986, marks System 12's entry into the lucrative, fast expanding and recently deregulated U.S. telecommunications market—a market which Wall Street believes provides the major test for both ITT's digital switching technology and for its strategy to remain a major player in the world telecommunications equipment market.

ITT is hoping that the System 12 digital switch will enable it to win a sizeable share of the market for advanced switching equipment created by the recently divested Bell operating companies.

Although United Telephone of Florida is not one of the Bell operating companies, it is the largest unit in the United Telecom group.

The system to be installed in Florida will provide United Telephone's customers with touch-tone dialling, provide customer-calling features and give the telephone company the ability to move towards a call charging system based more closely on cost.

Spanish steel imports finding

The U.S. International Trade Commission has determined in a preliminary finding that U.S. stainless steel producers are being harmed by imports of stainless steel sheet and strip from Spain, Reuter reports from Washington.

The U.S. speciality steel industry and the United Steelworkers of America trade union have complained the Spanish steel is being dumped in U.S. markets, or being sold at prices below the cost of production.

Ivory Coast dam project postponed

BY PETER BLACKBURN IN ABIDJAN

THE IVORY COAST Government is expected shortly to announce the indefinite postponement of the troubled $650m (£448m) Soubre hydro-electric power scheme, the country's largest development project.

The project, located on the Sassandra River in the West of the country is already running nearly two years late and aid donors, including the World Bank, the African Development Bank, European Investment Bank and Commonwealth Development Corporation, have expressed concern about the management of the project. Construction tenders were postponed indefinitely last August.

Several other factors have affected the project, officials say:

- A substantial financing gap caused by the Government's rejection of Arab aid due to the political conditions attached;
- The Ivory Coast's serious financial problems — last December it requested a rescheduling of its public sector external debt;
- Concern about the country's heavy reliance on Hydroelectric power.

For the past two years some 90 per cent of Ivory Coast's power has been hydro generated. A prolonged drought has caused the closure of the country's five hydro-electric power stations and power cuts have averaged more than 12 hours a day this year. Industrial output has dropped by an estimated 30 per cent and many companies have been forced to buy their own generators.

The World Bank has been reviewing the country's energy policy and examining alternative means of power generation. The exploitation of offshore gas reserves is seen as one potential solution. Phillips Petroleum has made several gas discoveries, suggesting that the country may be a better gas than oil prospect but the absence of a local market has so far blocked development.

Some officials say that a scaled-down Soubre development is still a possibility, given that the Sassandra River offers the best hydro-electric potential in the country and that the project is important for the development of the underprivileged Western region.

As a partial emergency solution to the energy crisis, a 100 Mw gas turbine power station is being constructed in the Vridi industrial zone in Abidjan. The turbines, supplied and installed by Alsthom Atlantique of France, are due to be fully operational by mid-March. They will initially run on fuel distillate until offshore gas is eventually piped ashore.

Electricity officials warn however that there will still be an energy deficit of nearly 20 per cent and even with good rains this year, shortages could persist to mid-1985 at least. The recent completion of a link between the Ivorian and Ghanaian grids has brought no relief because Ghana has been even worse affected by drought.

- EAGLE STAR, a subsidiary of the UK Eagle Star Group, has opened an office in the Ivory Coast and aims to become the life assurance market leader over the next few years, according to Mr Duncan Ferguson, the managing director.

The move, the first by a British life assurance company in the Ivory Coast, is a sign of growing Anglo-Ivorian financial links.

Pakistan plans $41m fish harbour on Arabian Sea

BY MOHAMMED AFTAB IN ISLAMABAD

PAKISTAN IS to build a $41m (£28m) fish harbour on its Arabian Sea Coast at Pasni to increase fish production and exports. The Asian Development Bank will provide a $35.4m loan for the harbour—Pakistan's first. Higher production is expected.

Good markets exist in the nearby Gulf and Middle East markets, and Pakistan is already supplying sea food, including fish, shrimps and lobsters to Japan Europe and the U.S. as well.

The fisheries plans include the provision of mechanised boats, improved fishing gear, and marketing and transportation facilities. Some Japanese and South Korean companies are already collaborating with Pakistani fishermen in seafood production, and the country hopes that more investors will be attracted from Europe.

Pakistan's fish exports were worth $76m in 1982-83. Fish production has been rising gradually over the past several years.

AP-DJ adds from Washington: The U.S. International Trade Commission has ruled that penalty payments are required on imports of cotton shop towels from Pakistan under the Countervailing Duty Act. The Commerce Department had determined earlier that Pakistan has been subsidising towel exports totalling about $1.7m in the first nine months of 1983. The countervailing duties would average about 3 per cent, officials said.

World Economic Indicators

RETAIL PRICES (1975=100)

	Dec. '83	Nov. '83	Oct. '83	Dec. '82	% change over prev. year
W. Germany	141.8	141.5	141.2	138.3	2.6
France	235.9	235.2	234.2	216.0	9.2
Italy	362.2	360.4	356.5	321.5	12.7
Netherlands	159.2	159.2	158.9	154.7	2.9
Belgium	176.1	175.8	174.9	164.4	7.2
UK	254.3	253.6	252.7	241.4	5.3
U.S.	188.3	188.0	187.7	181.4	3.8
Japan	151.0	151.6	152.6	148.7	1.5

Source: Eurostat

SHIPPING REPORT

Gulf war fails to deter tanker charterers

BY LYNTON McLAIN

CRUDE OIL tanker traffic in the Gulf area kept up its recent activity last week but with little or no rise in charter rates.

The activity was against the background once again of an escalation in the Iran/Iraq war. More charter business was agreed with brokers with rates at, or very near, previous levels.

In particular, more very large crude carriers (VLCCs) and ultra large crude carriers (ULCCs) were chartered out of the Gulf. A total of eight of these large tankers with a total of some 2.25m deadweight tons was chartered, according to E. A. Gibson Shipbrokers.

Brokers described the demand last week as "well spread" with loading out of Kharg Island as well as other Gulf ports for major oil companies and independent companies to Eastern and Western destinations.

The increased movement of large vessels included a charter by Shell for a 355,000 deadweight ton vessel loading a cargo of 300,000 tons at Worldscale 19½/18½ for discharge in the East or West, with the option of loading at Kharg Island at an additional 1.5 Worldscale points.

Other charterers took a re-let Texaco charter of 240,000 tons for early March to Taiwan at Worldscale 22.

This activity still left a considerable number of vessels available in the Gulf area, with the result that rates paid for the largest vessels did not maintain their previous levels.

Smaller tankers gained higher rates, with a 75,000 ton vessel chartered from Bahrain to the East at Worldscale 90 and a 110,000 ton vessel for a voyage to Australia chartered at Worldscale 47½.

Indonesian charter activity was buoyant last week with rates improved on previous trading. There was also increased demand from West Africa and from the Mediterranean.

OSTERREICHISCHE Schiffswerften AG (Oswag), a subsidiary of the Austrian state engineering and steel concern Voest-Albine, has won an order, to supply four barges and a luxury passenger ship to the Soviet Union. A floating crane is to be supplied by another Voest-Albine subsidiary. The total value of the Soviet order is Sch1bn (£36.5m).

Sears World Trade in Italian link-up

By William Hall in New York

SEARS WORLD TRADE, the fast-growing international trading arm of the U.S. retailing giant, has joined forces with Instituto per la Ricostruzione Industriale (IRI), the Italian state holding company, and the Genoa-based Coe and Clerici, to form a new Italian trading company.

Mr Roderick Hills, former chairman of the U.S. Securities and Exchange Commission (SEC), who new heads Sears World Trade, says the new joint venture will "focus on Italian trade opportunities, and help fulfil IRI's desire to increase both exports and the development of overseas industrial projects."

Sear's other Italian partner, Coe and Clerici, was started in 1895 as the Genoa representative office for British coal mining companies.

Since then, it has grown into a world-wide trading operation, specialising in ship chartering and management, steel and coking coal trading, crude oil and finished petroleum products trading.

Sears World Trade was formed in 1982 and its long-term ambition is to grow into a major trading company which will match the Japanes trading giants.

With its headquarters in Washington, several of its senior staff are former U.S. Government officials. Mr Frank Carlucci, the president, is a former Deputy Secretary of Defence. Mr Curtis Hessler, senior vice-president, was a former Assistant Secretary of the U.S. Treasury.

Sears World Trade lost $12.1m (£8.5m) on revenues of $79.1m in its first full year of operation, reflecting start-up costs.

The new Italian trading company is the latest in a series of joint ventures established by Sears World Trade.

Alan Friedman adds from Milan: Italcable, the overseas telephone subsidiary of Italy's IRI-Stet state holding group, has won a $14m contract to complete an international telephone cable system for 19 European, Arab and Asian countries.

The project, to be finished by July 1986, is designed to improve telephone services through an integrated cable network spanning Europe, South-East Asia and the Indian Ocean.

Kinnock urges radical change in EEC's aims

BY JOHN HUNT

A CALL for an EEC conference to revise fundamentally the principles of the Community is to be made tomorrow by Mr Neil Kinnock, the British Labour party leader, when he launches a new initiative in the party's European policy.

Mr Kinnock envisages the setting up of an Assembly of Europe which would be attended by all the parties of Western Europe, including those of the Scandinavian countries outside the Community.

In addition, he wants the EEC to develop closer economic links with the Eastern European block and to see a developing political dialogue between the Community and the Iron Curtain countries.

Mr Kinnock will also call for a new "Bretton Woods" style conference for the Community members to develop a joint strategy for economic recovery.

His proposals, which will be outlined tomorrow in New Socialist, the Labour Party discussion magazine, come as the political parties begin their campaign for June's elections to the European Parliament.

Over the weekend Mr Norman Tebbit, Trade and Industry Secretary, launched a strong attack on Mr Kinnock and Labour's record on Europe. Mr Roy Jenkins, for the SDP, also made a speech on the subject yesterday at his party's Scottish assembly in Troon.

Under Mr Kinnock's plan, a new conference – like the one at Messina which saw the birth of the EEC – would consider revising the Rome Treaty so that it could be more closely related to EFTA and the UN Economic Commission.

He will emphasise the need for a European Community with wider interests which will make Europe, East and West, more independent of the United States and the Soviet Union.

Mr Tebbit said that the Conservative Party had a proven record of success on the market, unlike the "muddled xenophobia" of the Labour Party.

Mr Jenkins said that the Liberal/SDP Alliance was the only political force with a committed and constructive European policy. The Labour Party was profoundly anti-European in spite of Mr Kinnock's attempts to blur its policy.

A UK bank joins the rush to take stakes in share traders. John Moore reports

NatWest links with jobber

A DRAMATIC phase in the restructuring of London's securities business began late last Friday as National Westminster Bank, one of the big four clearing banks, announced that it was to forge a link with Bisgood, Bishop, the fifth largest stockjobber on the Stock Exchange.

Both sides were reluctant to discuss the details of the deal because, depending on the attitude of the stock exchange, whose approval is needed, the final form of the link may need amendment. In whatever structure emerges, National Westminster is expected to hold a 29.9 per cent stake – the maximum permitted under stock exchange rules – in the jobbing firm.

So far the rush to form links with jobbing firms has been led by the merchant banks. Since there are no more than about five jobbing firms of any size – Wedd, Durlacher Mordaunt, Akroyd & Smithers, Pinchin Denny, Smith Bros, and Bisgood, Bishop – the links have been formed by those that have moved fastest.

Akroyd & Smithers has formed a link with Mercury Securities, the parent company of G. Warburg, the merchant bank, while Smith Bros has formed a link with N. M. Rothschild. British Merchant banks are seeking to turn themselves into U.S. style investment banking operations to complete with groups such as Morgan Stanley, Goldman Sachs, First Boston and Salomon Brothers.

Bisgood Bishop, the fifth largest stockjobber in the UK, was founded in the early part of this century. It began trading mainly in the securities connected with the transport industry, before expanding into aircraft, engineering, shipping and brewery shares. More recently, Bisgood has begun trading on the London International Financial Futures Exchange and deals in overseas securities, trading in nearly 2,000 shares listed on the New York Stock Exchange. Bisgood is the only jobber to deal in all stocks on the exchange's Unlisted Securities Market.

The merchant banks shied away from forming links with stockbrokers because of the adverse commercial effects which might be created. A broker linked to a merchant bank might lose the large volumes of investment business generated by the investment departments of other merchant banking rivals.

National Westminster, the first of the clearing banks to form a link with a securities firm in the latest upheaval, was coy about its own reasons for making a link. The group said that "development of its existing market-making strengths is consistent with the planned expansion of its services to the corporate sector, both in the UK and worldwide." Close liaison with a jobbing concern "will bring added expertise to the group and will also put the strength of the NatWest group behind a traditional City expertise."

If the acquisition of a stake in Bisgood will add another leg to the bank's market-making capabilities in foreign exchange, and cash instruments in London, it also provides the possibility for the wide ranging developments already foreshadowed in North American markets.

For instance, as minimum commission scales are dismantled on the London Stock Exchange, and if the stock exchange accepts that there should be a fusion of the functions of broking and jobbing, National Westminster may offer a discount brokerage service which many commercial banks in the U.S. are now providing. There are no discount broking operations in the UK.

Discount brokers operate almost entirely in the retail business, providing institutional clients with a service to carry out deals in securities at cut-price commission rates. Discount brokers usually rely in the U.S. to a large extent on mass media advertising and the execution of unsolicited orders. With its large retail network and extensive corporate client list National Westminster is well placed to establish such an operation.

Under a recent ruling in Canada banks and other financial institutions are to be allowed to offer discount brokerage services and to channel their client's orders through brokers at discount commission rates. The banks would charge the clients for the service although they will not be able to establish their own discount brokerage companies.

In addition to the more medium-term attractions of establishing a base in the London securities markets, there are immediate benefits for National Westminister in forging a link with a jobber. Trading in securities is enjoying a boom period. In the U.S. the investment bank's willingness to put vast sums at risk in the capital markets had made trading the biggest single source of revenue.

At the end of its last financial year to May 1983 Bisgood, Bishop reported the most successful year so far in its history.

Pre-tax profits of £2.46m, on turnover of £2.16bn, were more than double the previous best figures, which were achieved when expenses were running at a third of present levels. And the current year looks as though it will be another good year.

Retailers confident that spending boom is being sustained

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE CONSUMER spending boom shows every sign of continuing this month, according to the latest survey by the Confederation of British Industry (CBI) and the Financial Times, published today.

The survey suggests that sales in January were lower than retailers had been expecting, but were still well up on the levels of a year ago.

For February, the survey shows that 78 per cent of retailers are expecting the volume of sales to be higher than a year ago.

As the Department of Trade and Industry has not produced provisional estimates for retail sales in January, the CBI/FT survey is the first indication of the level of business.

Mr John Salisse, chairman of the CBI's distributive trades survey panel, said: "One of the reasons which may have contributed to the slightly disappointing rise in retail sales (in January) may have been the bad weather, particularly in the north. Certainly, retailers are predicting stronger sales in February."

Wholesalers reported an increase in January sales which is more in line with what they had been expecting in December. The motor trade, however, appears to have had a much worse month than it was expecting. It predicts that February trade will be little changed from its level of a year ago, the survey suggests.

The survey this month was based on replies from 712 firms, the largest response since it was launched in July.

Indications that consumer spending continues to hold up will be welcome news to the Government, because this has been the main engine for economic recovery since 1981. Last year, the volume of retail sales was 5.7 per cent higher than in 1982.

In the course of this year, government economists expect that the base of recovery will be broadened as exports and investment begin to pick up. Until this broader base is established, it is important that consumer spending should maintain its momentum of growth.

● Net receipts for the Government's National Savings rose sharply in January, after the Christmas spending period, to reach £351.6m. This inflow of money has made it virtually certain that in the fiscal year to April, the contribution of National Savings to government funding will exceed the Treasury's target of £3bn.

Inquiry into 'mandarins' taking industry jobs

BY OUR POLITICAL STAFF

THE ALL-PARTY Commons Select Committee on the Treasury and the Civil Service has ordered an investigation into the rules which allow senior civil servants to take boardroom posts in industry and commerce soon after they retire.

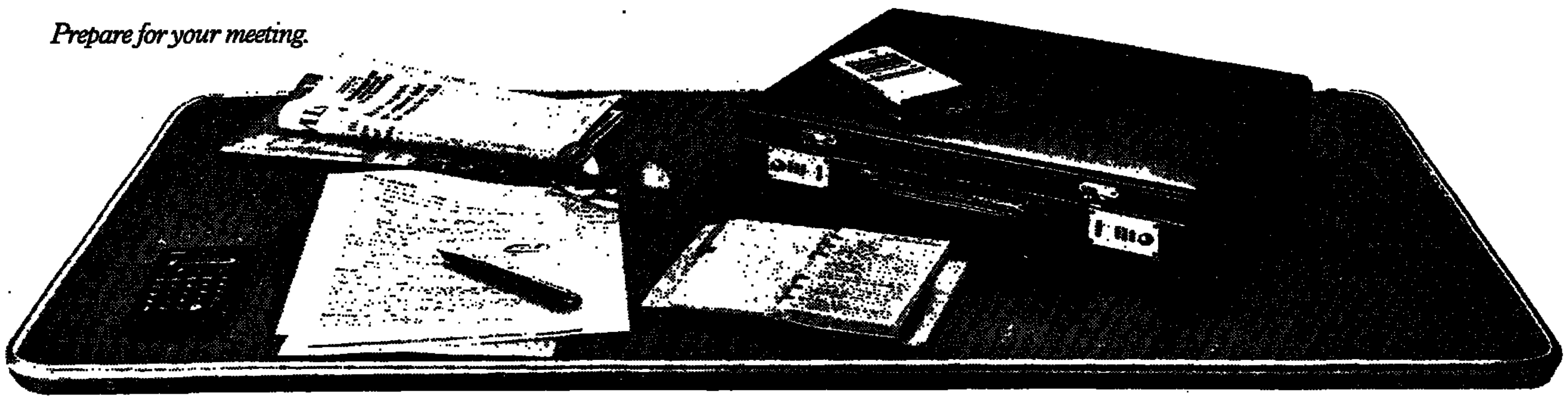
A sub-committee has been set up to carry out the inquiry under the chairmanship of Mr Austin Mitchell, Labour MP for Grimsby.

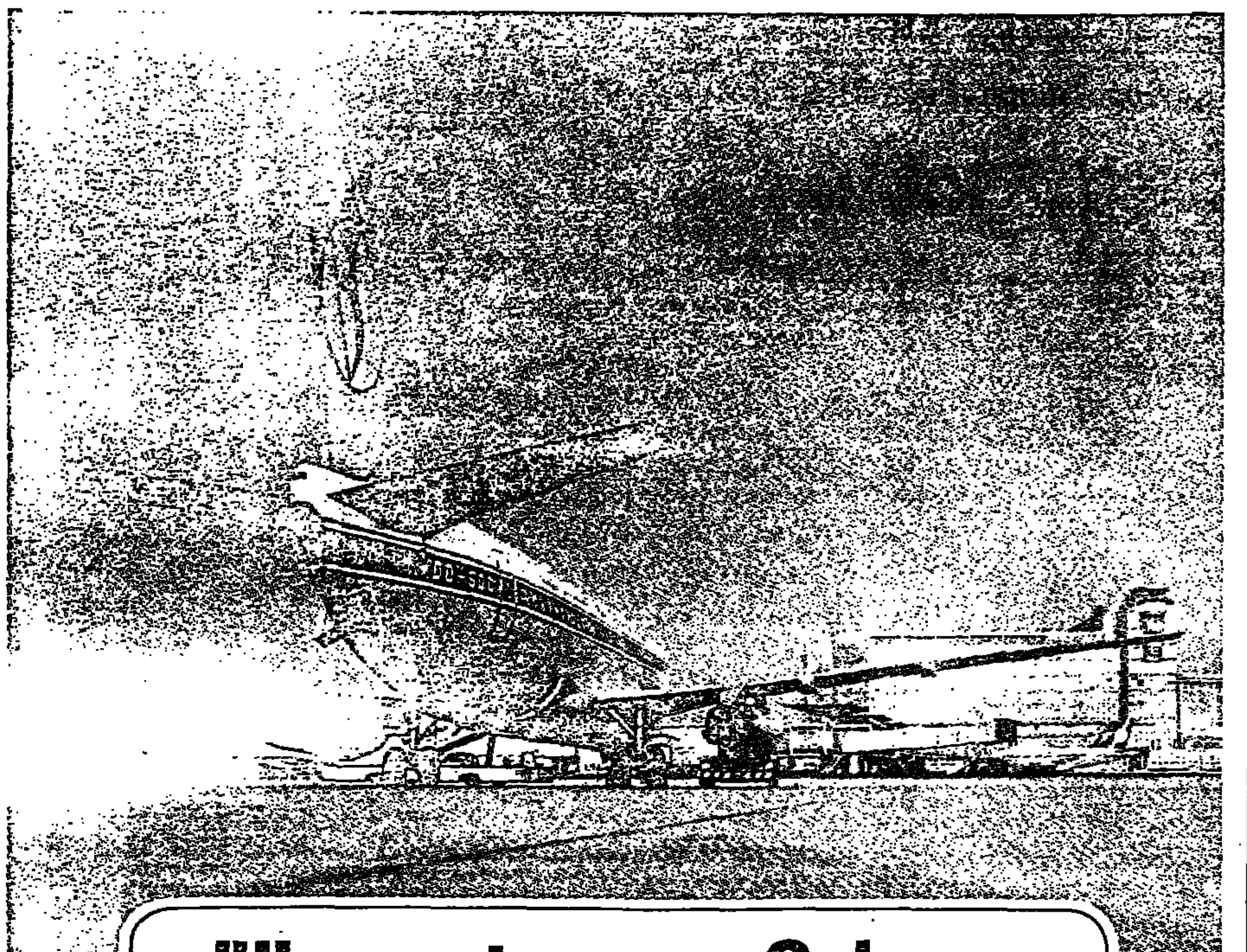
Its report could recommend a tightening up in the regulations to ensure that sufficient time elapses after retirement to prevent civil servants using sensitive information which they have gained in public employment.

The sub-committee will examine the American system which has legal sanctions against civil servants who breach the rules and take up important private jobs immediately after retirement. In the U.S. a civil servant faces the possibility of a $10,000 fine for breaking the law

Mr Mitchell said yesterday that a previous select committee had examined the matter about four years ago but its recommendations for stricter controls had not been implemented.

Concern has continually been expressed by MPs, particularly those on the Labour benches, about the growing number of Whitehall "mandarins" who take up important private posts at high salaries.





Rail plans 'put at threat by unions'

By Hazel Duffy, Transport Correspondent

BRITISH RAIL says its planned big increase in investment over the next three years could be threatened by lack of co-operation by the rail unions on key productivity issues.

At a meeting of the Railway Staff National Council on Thursday, the BR board will emphasise to the unions the importance of agreement to accelerate the introduction of driver-only freight trains and suburban passenger trains.

Together with the easing of restrictions on single-manning of trains and promotion of the cross-union "trainman" concept, this would reduce the rail workforce by 4,485 between now and the end of 1988. There would be a saving of roughly £45m.

BR's corporate plan is for a total reduction in the workforce of 17,000 by the end of the period.

The BR board views the resistance of the National Union of Railwaymen to the one-man operation of trains as potentially a major hurdle.

Most of its investment programme will have to be funded from internal sources and is dependent on the achievement of planned savings. The 1983-84 investment target of £295m is expected to slip by about £20m by the end of the financial year. In 1984-85, it is planned to jump to £406m, and to £489m in the next year and the same sum in the following year.

The main part of the investment is to replace all the diesel multiple units which contain asbestos – about 1,200 units – by 1987. New suburban rolling stock on routes in London and the south-east is being introduced and refurbishment of existing rolling stock will be increased.

The plan also includes a big re-signalling programme at York, Newcastle and at Waterloo in London.

Electrification of the east coast main line is not included in the programme. BR's decision on whether or not to ask the Government for approval of the scheme will depend on the outcome of a major internal review of business prospects.

Call to ban strikes in essential services

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE PRIME Minister, Mrs Margaret Thatcher, has been strongly advised by the Centre for Policy Studies, the influential Conservative Party think-tank to ban industrial action in essential services; and to make the preservation of union immunities from civil action during disputes dependent on their observation of procedure agreements.

The advice, which formed part of a high-level private seminar on future policy directions for Mrs Thatcher three weeks ago, comes at a time when she is under increasing pressure to compromise on her determination to ban unions at the Government Communications Headquarters in Cheltenham. She is expected to meet the civil service unions on the issue this week.

She has been told that the present steady pace of industrial relations reform should continue while the unions remain relatively powerless to impede it – on the grounds that an upturn in employment will see a reassertion of some former union strength and attempts to claw back some lost control.

Sir Leonard Neal, the industrial relations expert and former board member of British Rail and Pilkington, and chairman of the Heath Government's Commission on Industrial Relations, has recommended to Mrs Thatcher that these two major proposals form the next pieces of industrial relations legislation after the Trade Union Bill becomes law, probably towards the middle of this year.

Sir Leonard chairs the trade union reform group at the Centre for Policy studies, the private policy advice unit founded by Sir Keith Joseph and Mrs Thatcher in 1974 as a focus for the new Conservatism. The group will shortly publish the plans for essential services and procedure agreements.

The main proposal for a ban on strikes takes head-on the difficulties of defining which services are essential. Sir Leonard believes that it will be commonly accepted that the "Energy" services (gas and electricity), water and sewage and health services should operate such a ban, and that workers not directly employed by these services but whose industrial action would damage them would also be covered.

He rejects any trade-off between Government or employers and unions to achieve a strike ban and pay for it in higher wages of inflation-proof settlements. He argues that "It ought not to be necessary to reward people for not taking immoral action."

He recommends that the union be held liable for all strikes in essential services, even if they are said to be unofficial – unless it could show unambiguously that it had made every effort to end the industrial action. It would be up to employers to take action against unions if such efforts could not be proved – though Sir Leonard admits that some employers, especially in the public sector, might be reluctant to do so.

Business fear of higher tax bill

By Our Industrial Editor

BUSINESS leaders fear that the Government will announce a change in the method of collecting Value-Added Tax (Vat), which would add, they believe, some £1.5bn ($2.17bn) to their tax bills in a year.

They think the Government has been preparing the change for some time and that it was discussed inconclusively at the last meeting of the National Economic Development Council. It would end the 11-week grace period in paying Vat enjoyed by importers of overseas goods. That would put the importers into the position of those buying (UK) goods, who must make their Vat payments immediately.

The Confederation of British Industry (CBI) has taken no corporate view on the possible change, although it has made sure that representatives of such large corporations as BP, Unilever, ICI, Shell, Beecham, Ford, IBM, British Steel, GKN and Bowater all attend Wednesday's CBI council meeting, where it will be discussed.

One solution for the business leaders would be for importers and domestic buyers to attain equality by both enjoying the 11-week grace period.

Move to create software forum

BY ANDREW TAYLOR

LARGE public-sector purchasers of complex computer systems are to create a forum to discuss means of harmonising their software requirements.

That is part of a joint industry and government initiative to evolve standard procedures and management systems for the design and development of computer programmes.

The establishment of industry standards, acceptable to suppliers and customers, is seen as an effective way of supporting British-based software companies. That may be difficult to achieve, however, given the fragmented nature of the industry.

Any move by public-sector bodies to bring some harmony to their software purchasing would represent an important breakthrough. It might also be seen as a threat to some small companies which have developed their own procedures and systems.

The decision to establish this forum was announced last week at the launch of a new industry guide to systems available to software suppliers.

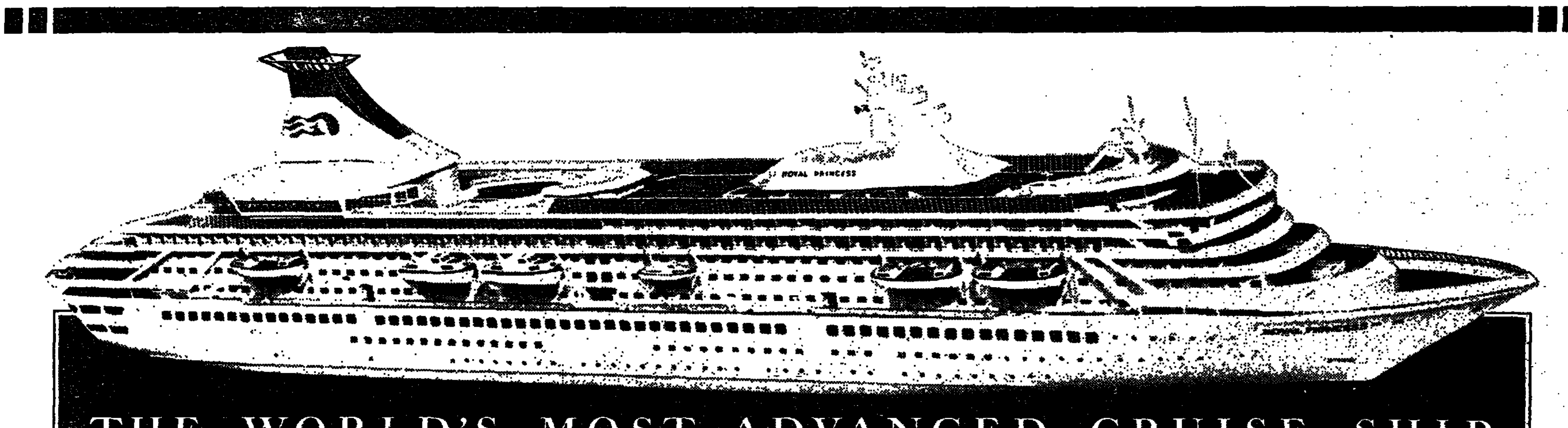
Members of the new committee will include: The Ministry of Defence, British Telecom, British Steel, British Gas, the Central Electricity Generating Board and the Civil Aviation Authority.

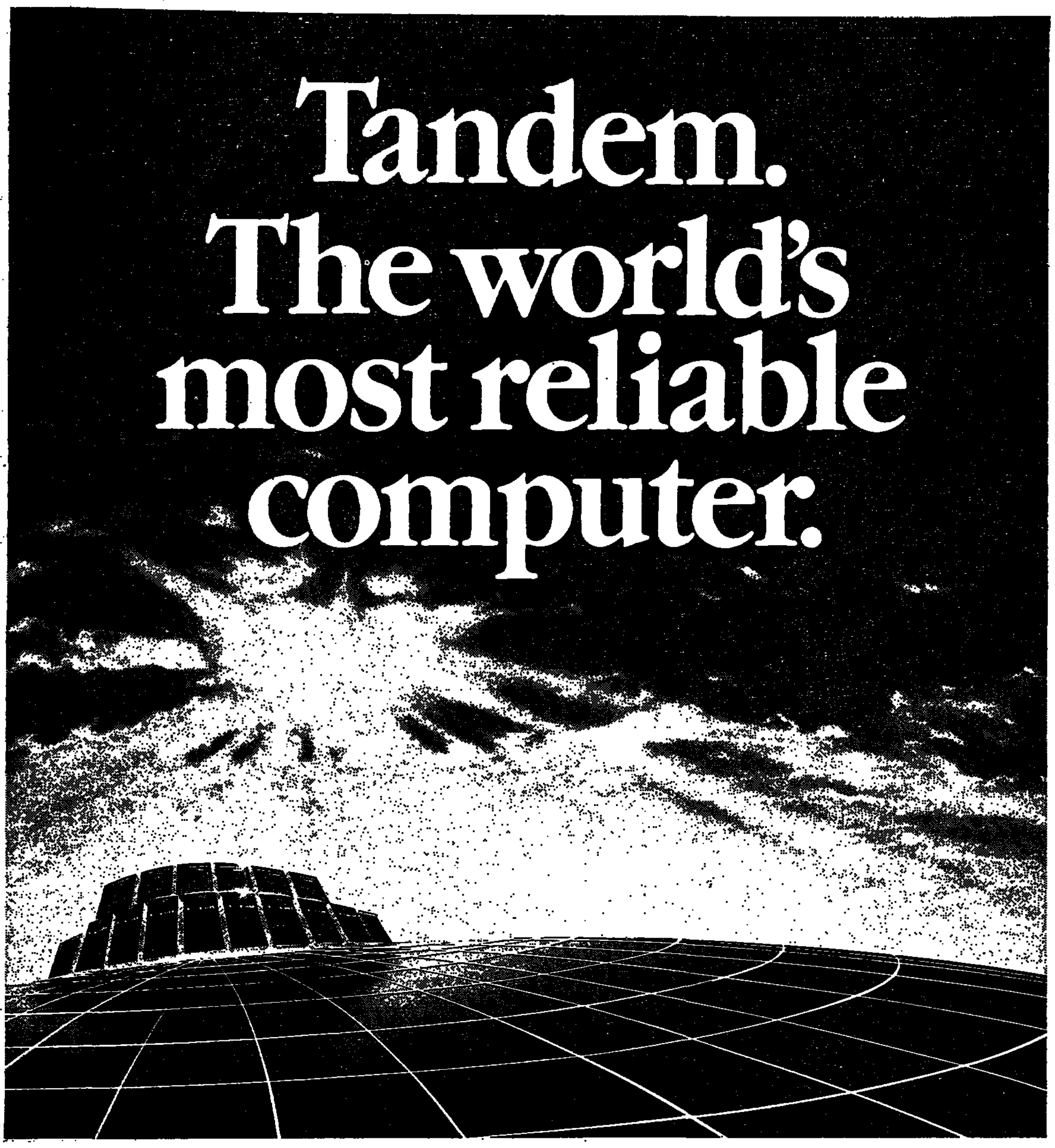
The industry guide, "Software Tools for Application to large real-time Systems," published by the Trade and Industry Department, is an attempt to assess the merits of software tools and methods.

It represents the work of "42 industry exports from 17 companies and organisations" including leading software suppliers like Plessey, Marconi, Logica, Ferranti and Systems Designers.

The research began after a critical report two years ago by the electronic capital equipment working party of the National Economic Development Council highlighted the mounting cost of preparing and maintaining software by comparison with the investment in computer hardware.

Software Tools for Application to large Real-Time Systems: National Computing Centre, Oxford Road, Manchester, £35





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UK NEWS

BRITAIN BEFORE EUROPEAN COURT OF HUMAN RIGHTS

Getting a legal line on telephone tapping

WHEN THE Attorney-General appears *before the European* Court of Human Rights at Strasbourg today in the telephone tapping case* he must surely be resigned to the fact that Britain is once again going to be held in violation of the European Convention on Human Rights.

This time it will not be so much that this country has behaved badly towards its citizenry, but that it operates limitations upon its peoples' civil liberties by administrative practice and not—as required by the Convention—in accordance with laws that declare the boundary lines of permissible governmental interference with individual rights.

During the criminal trial of Mr James Malone in the summer of 1978 on charges of handling stolen goods it emerged that the police had intercepted his telephone conversations.

After his acquittal, Mr Malone brought civil proceedings to challenge the legality of the interception measures. These proceedings failed, because under English law such telephone tapping can be carried out without the commission of any breach of the law; it can be lawfully done simply because there is nothing to make it unlawful.

Mr Malone would not content himself with a negative answer from the English courts, and he applied to the European Commission of Human Rights.

Just before Christmas, 1982, the commission resoundingly declared the Government had violated the Convention.

The commissioners held there was a breach of Article 8 by reason of the admitted interception of Mr Malone's telephone conversation and the law and practice governing postal and telephonic interception for the police.

Article 8 (2) allows a government to escape a finding against it if the interference with the *guaranteed rights to privacy are* in accordance with the law and are necessary for preventing disorder or crime.

The commission was of the opinion that it could not be said with any certainty that English law laid down even the principal conditions or procedures for issuing warrants authorising interceptions for the police.

The commission concluded further there had been a breach of Mr Malone's rights under Article 13, in that English law did not provide an effective remedy before the courts in respect of interceptions carried out under a warrant.

After the English court proceedings it was generally recognised that there was a need for legislation. But in April 1980 a White Paper was published, and the Home Secretary announced the Government had decided not to legislate.

The Government concluded that the procedure, conditions and safeguards described in the White Paper did in fact ensure strict control of interception by ministers, and would not be made significantly more effective by being embodied in legislation.

The commission profoundly disagreed, and thought the practice did not reach the safeguards required in the European Convention.

The police, Customs and Excise and the security service may request authority for interception for "detection of serious crime and the safeguarding of the security of the state."

Interception may take place only with the authority of the Secretary of State.

In England and Wales this is exercised by the Home Secretary or occasionally, if he is ill or absent, by another Secretary of State on his behalf.

The current practice where police apply for warrants to help in crime detection includes the following features.

The offence must be "really serious," which corresponds only roughly to the definition of "serious arrestable offence" in clause 105 of the Police and Criminal Evidence Bill now going through the Commons committee stage.

Another feature of the exercise of the power to grant a warrant is that normal methods of investigation have failed; there must also be good reason to suppose that an interception would be likely to lead to an arrest and conviction.

Applications for warrants are written and state the purpose of the interception requested and the facts supporting the request.

If the Home Office is satisfied the required criteria are met, *then it goes to the Home Secretary* for approval and signature. In exceptionally urgent cases the authorisation may be given to the police over the telephone.

It is almost inevitable that these procedures will have to be put into legislative form. But the Government will wait and see how many (if not all) of the provisions fall foul of the court's ruling. That will not come before the spring.

Meanwhile parliamentary pressure will be maintained to anticipate the inevitable, by parliament seeking to amend the Police and Criminal *Evidence Bill.*

**Malone v United Kingdom (1983 5 EHRR 385*

Justinian

THE NUMBER OF INDEPENDENT BEER MAKERS IS FALLING

Small brewers watch their market go flat

BY LISA WOOD

NEARLY ONE fifth of Britain's small breweries, whose numbers blossomed in the 1970s with the interest in real ales, have gone out of business in the last year.

Some 14 of the 80-odd small independent brewers inexistence in early 1983, when their numbers peaked, have now disappeared from the stagnant beer market.

In terms of total consumption of beer in Britain, the production of the small independents, many of which employ a handful of people, is tiny. Total production by this segment of brewers, which do, however, contain many healthy small businesses, is estimated at about 0.5 per cent of the 37m barrels of beer brewed annually in the UK.

Reasons for the demise of many of these businesses are often the same as experienced by other entrepreneurs. Penhros Court, Herefordshire, closed its brewing activities in December after a petition for £8,000 unpaid Vat. The brewery, attached to the Penhros Court restaurant had been supplying about 30 free houses in the area and had just secured a contract to supply beer to Italy. Cash flow, however, was a major problem.

In other instances real ale enthusiasts fulfilled a life's ambition in setting up a brewery but had little experience in quality control or marketing their products. "Some did not realise there was a difference between home-brewing and supplying a market that demands consistency of quality," said one brewer.

"The case of each company which has gone out of business is different," said Camra, the real ale enthusiasts' organisation. "A lot of people who set up businesses were experienced commercial brewers and they produced good quality beers.

"However, they had problems in marketing and outlets. In recent years, because of a declining market a lot of major brewers have tied-up free trade outlets by giving loans which can in effect preclude the sale of other beers. This may be because of a barrelage agreement. That is, a publican may have to sell a certain volume of the loan-giving brewer's beer in order to keep low interest rates on the loan."

The small independent brewers, unlike established regional independents such as Adnam and Shepherd Neame, rarely have their own tied pubs. So they are heavily dependent on the 28,000 "free houses" in Britain.

However, many free house publicans find it difficult to raise cash for renovation. Purchase of a free house in the South East for example costs a minimum of £100,000.

Mr James Lynch, a former secretary of the Small Independent Brewers' Association, a keen Camra member and owner of the Bournevalley Brewery, Andover, said: "In 1983 we lost four good accounts when four free houses changed hands and publicans took loans from a major brewer and committed themselves to taking 75 per cent of their barrelage from that brewer."

The Brewers' Society, whose members include only one small independent brewer, hotly disputes any suggestion that major brewers prevent free houses taking other beers if there is a loan arrangement. Only in "very rare" circumstances, said the Society, was a free house tied to one brewer.

"The reasons many are failing," said the Society "is that many did not get their cash flows correct and did inadequate market research. Many did not appreciate how capital intensive the brewing business is. A brewer has to produce a large volume at a fairly low unit price in order to be competitive.

Typical of many of the small breweries was Red Kite of Dyfed, Wales. Opened in 1982 it produced, at its peak, about 40 barrels a week.

The company is currently going into voluntary liquidation. Mr Kieran Healy, joint owner of Red Kite said: "We could not meet our projected sales figures. Most of the pubs around here are tied to a brewer and would not take our beers. Many of the free houses had loans from major brewers who had 'tied' them on their pumps."

It would be wrong, however, to ignore the fact that good working relations do exist between the major brewers and some small independents.

Mr Patrick Fitzpatrick, aged 29, who set up his own brewery, Godson, Freeman and Wilmott, in London in 1977, sells some of his 100 barrels a week production in Watney and Whitbread-owned pubs.

In regard to the free trade he pointed out that about 80 breweries were competing for the business in London. Competition was intense, with the bigger breweries, he said, able to give heavy discounts because of their positive cash flows.

Cash flow, he said, was a major problem for small brewers who often had a large range of customers with no fortnightly income, as the major brewers have, from tied pubs.

However, despite Mr Fitzpatrick's obvious enthusiasm over real ale and small independent brewers he added: "There are too many small brewers in this declining market. Some people did drift into it, borrowed too much, lacked quality control and suffered like many other small businesses."

Britannia calls for restriction on BA charter

By Michael Donne, Aerospace Correspondent

BRITANNIA AIRWAYS, the UK's *biggest charter holiday airline*, is urging that state-owned British Airways should withdraw from "whole-plane charter" flying, which it conducts through its holiday flying subsidiary, British Airtours.

In a long memorandum on future civil aviation policy, submitted to the Civil Aviation Authority as part of the latter's overall civil aviation policy review, Britannia says that the holiday charter flying market is an important segment of overall UK air transport effort.

A "privatised" British Airways could damage severely the chances of independent airlines, operating in this highly competitive arena.

Britannia, which is part of the Thomson Travel group of companies, points out that scheduled air services made up 95.8 per cent of British Airways' £2bn – plus ($2.9bn) total operating revenues in 1982–83. The rest came from charter activities.

"Clearly, scheduled services are the critical category of airlines business for British Airways, not whole-plane charters. Britannia's proposal is that British Airways withdraws from whole-plane charters," the memorandum says.

Reuters launches software package

By Raymond Snoddy

REUTERS, the international news agency, has launched its first software package to help foreign exchange dealers trade more profitably.

The software is designed to help to spot anomalies between fluctuating exchange and interest rates and between cash and futures markets.

The software was developed by *Investment Intelligence Systems.* Reuters will market it in Europe and later in other parts of the world.

UK NEWS

David Fishlock reports on new inquiries into the Sellafield mishap

Police investigate nuclear plant

THE TWO government reports published last week into the radioactive discharge last autumn from the nuclear plant at Sellafield, in Northwest England, were merely an interim. The final submission will be drafted this week – by the police.

The reports were critical of management at the processing plant, which is run by the state-owned British Nuclear Fuels (BNFL). During maintenance operations, radioactive waste was discharged into the Irish Sea, contaminating local beaches.

One of the reports said: "It is the opinion of the Department of the Environment inspectors that the requirement to keep doses as low as is reasonably achievable may not have been met, and there is concern about the adequacy of records of discharges over the period.

The police report will decide whether or not BNFL as a company, or employees as individuals, will be prosecuted for the events that led to last autumn's accident.

The first intimation the company received that the Government had called in the police was a public statement by the Director of Public Prosecutions, says Mr Harold Bolter, BNFL's company secretary. Detective Chief Superintendent Huddart then called Mr Roy Pilling, the BNFL director responsible for the Sellafield site, to arrange for his detectives to question staff.

The Sellafield site, employing nearly 6,000 BNFL staff, is divided administratively into two operations of roughly equal size. The one being investigated by the Director of Public Prosecutions is the Windscale Works, which reprocesses spent nuclear fuel from power stations, under Mr John Doran, general manager.

Early this month, in rooms set aside for the interviews, the police began to question BNFL employees. They are retracing events from the annual maintenance operations on the reprocessing plant starting on October 30 to the discovery of radioactive flotsam on the nearby beaches on November 19.

Government security authorities have been consulted by the Central Electricity Generating Board over measures to protect its proposed Sizewell B pressurised water reactor from acts of terrorism and sabotage. The board said recommendations would be included in detailed design proposals.

So far, the police have indicated that they will want to question about 40 people, from the lowest ranks of supervisory staff to the general manager. Each interview is conducted by a police inspector, accompanied by a government nuclear inspector, seconded either by the Environment Department or the Health and Safety Executive.

A trades union representative is also present and the Institution of Professional Civil Servants makes a solicitor available if required.

As Mr Bolter – whose responsibilities as company secretary include the legal aspects of corporate business – sees BNFL's situation, there is no suggestion of a deliberate breach of the law. Neither is he himself expecting to be interviewed. But he will be involved in producing the defence should any prosecutions result. On legal advice, the company is making no attempt to find out what is discussed at the interviews. But it knows that the nuclear inspectors present are both putting questions themselves and guiding police questions, not just interpreting answers for the police.

The questions relate to three Acts under which the chemical operation of reprocessing spent nuclear fuel is conducted: the Radioactive Substances Act, the Nuclear Installation Act and the Health and Safety at Work Act.

At the heart of the inquiry lies a test of a novel principle known as Alara – the undertaking to keep radioactive discharges "as low as is reasonably achievable." It is defined by the Environment Department as "the process whereby an appropriate balance is struck between costs and benefits."

This is a form of gentleman's agreement between industry and government inspectors in which both sides attempt to take a realistic view of the problem of reducing emissions to the environment. The reports this week show that heavy investment in effluent treatment by BNFL has achieved a dramatic improvement in its levels of radioactive emissions over the past 10 years.

Alara has never been tested in the courts, Mr Bolter says. BNFL adopted it five years ago, following a recommendation from the International Commission on Radiological Protection, the scientific committee whose standards for public protection are accepted virtually worldwide. Alara was added to the authorisations of the Environment Department and the Ministry of Agriculture, Food and Fisheries for activities at Sellafield just a year ago.

"The company has always seen Alara as a balance between the effect on the workforce and the effect on the environment," Mr Bolter says. The reports last week make it plain that in their efforts to reduce unexpectedly high levels of radiation in the tanks and pipework of the low-activity effluent treatment system, and the risks to employeees, they flushed highly radioactive particles – "crud" – out to sea.

One crucial question the police are helping the nuclear inspectors to resolve is whether, during the crisis at Sellafield last November, BNFL management got the balance wrong between concern for employees and concern for the public.

Blue Circle develops through reclamation

Britain's largest cement manufacturer has begun realising the commercial potential of former quarries. Andrew Taylor reports.

IF ALL the cement works, quarries, claypits and holes in the ground owned by Blue Circle, Britain's biggest cement manufacturer, were joined together they would cover almost 60 square miles, roughly the size of the city of Bristol.

Just under half this space, about 18,000 acres, is no longer required by Blue Circle, which is trying to decide what to do with its unwanted property.

The group has already spent almost £10m reclaiming an 80-acre site and has several developments under way. These include a 50-acre industrial park in Sittingbourne Kent; a 50,000-sq ft shopping centre in Perry Barr, West Midlands; and a housing development in partnership with Wimpey in Grays, Essex.

It is only recently that Blue Circle, like other industrial companies, has started to think seriously about how to get the best value from surplus land and buildings.

Some of the holes in the ground owned by Blue Circle have hardly been touched since the group was formed in 1900. They have been wasting away in the company's land bank awaiting the day when their reserves of chalk or clay might be needed again.

It is also costly to keep sites safe and secure. This did not seem to matter so much when industry was expanding rapidly in the post-war years and was more concerned about opening new works than with thinking about what to do with ageing properties.

"Companies can no longer afford to regard property departments as simple rent collectors and fence menders. Industry is under pressure to get the best return possible from its assets and that includes empty buildings and vacant land," says Mr Peter Holden, Blue Circle's commercial development director.

In Blue Circle's case, an industry decline in cement sales has coincided with a costly investment programme to improve manufacturing efficiency. A number of smaller cement works have been closed and the group can no longer justify sitting on land it is never likely to use.

Pressure on the group to find new uses for derelict and redundant sites has come from another source. Public demands on industry to restrict its impact on the environment have grown.

"Even if there is no legal obligation to reclaim some of these sites, it is in our best interests to forge good relations with communities in which we operate," says Mr Holden.

Blue Circle, for example, has paid almost £10m to reclaim and prepare 80 acres of land at its former cement works at the south east end of the Dartford Tunnel, which runs under the Thames in London. The company proposes a roll-on roll-off ferry terminal in partnership with Inchcape, the international traders.

TECHNOLOGY

EDITED BY ALAN CANE

COMPLAINTS OVER LACK OF PRIVATE PAGING FACILITIES

Telecom keeps its lines engaged

BY PETER MARSH

BRITISH TELECOM is blocking competition by its slowness in releasing to private companies "spare" telephone numbers with which rival services can be set up.

That is the complaint of the Federation of Communication Services, which represents about 100 companies. Mr Jonathan Clark, the federation's chairman, says: "Almost all our members have experienced problems in getting spare numbers from British Telecom.

"Discussions on this issue started two years ago and it seems surprising that a way forward has not been found.

"The feeling is widespread among our members that British Telecom is deliberately stalling."

According to estimates, the UK's public telephone exchanges could be connected to between 20m and 100m extra numbers without disrupting British Telecom's plans for increasing the national network.

British Telecom refuses to give what it regards as the number of "spare" digits. It says this information is "commercially valuable."

The spare sets of digits could be handed to private companies which would use them in new services.

For example, a paging or radio-telephone organisation could give each of its customers a unique number. By dialling this, a person would set up automatically a radio link to the customer with the paging terminal.

Companies could also ensure that people make calls on these numbers without being charged. This would be similar to the arrangement in the U.S. by which people do not pay for calls that begin with the digits 800.

What riles the critics of the corporation is that British Telecom's own paging and radio-telephone subsidiaries have access to blocks of spare numbers.

The denial to commercial rivals of the same facilities makes a nonsense of the Government's desire to stimulate new communications services, say the critics.

At the heart of the dispute is what British Telecom calls its derived services network. This will split up some of the "spare" numbers into groups and distribute them to organisations that want to run new telecommunications services.

The corporation announced the new network last June. It will be implemented in stages, beginning this summer. But British Telecom has not said what the tariffs for the network will be.

As an interim measure, British Telecom says it will distribute to customers private numbers centred on local exchanges.

Private companies that want to start paging services, or extend existing ones, are particularly affected by the row over the spare numbers.

In paging, people carry terminals that receive a variety of measures sent by radio—a simple "bleep," a couple of lines written or a spoken instruction.

Paging services can function reasonably well without a set of private numbers. A person who wants to activate a pager calls a switchboard and instructs an operator to send a *specific message*.

But if each person with a pager is allocated a set number, the calls can proceed automatically. This dispenses with the operator and speeds up the service.

Last summer, the Department of Trade and Industry gave licences to three companies to run national paging networks. They are Air Call, Digital Paging Systems and Inter-City Paging.

All three are competing with British Telecom's own paging subsidiary, which is by far the leader in this business area. It sends signals to 190,000 paging terminals around Britain.

By contrast, Air Call has 20,000 pagers and Digital Paging Systems 5,000. Inter-City Paging hopes to start a service later this year.

Mr Daniel Nabarro, a director of Inter-City Paging, says his company would have started sooner if British Telecom had been quicker providing him with numbers for his service at a reasonable cost.

"British Telecom has put up a credible case for allocating the numbers. But while the tariffs remain unpublished, a company like ours cannot go ahead in its planning.

The situation is grossly unfair and makes it very difficult for the little guy to get off the ground."

Mr Nabarro is an electronics engineer previously with GEC and STC who started his company 18 months ago.

As an interim solution, *British Telecom has offered Mr* Nabarro blocks of numbers that can be reached via existing public telephone exchanges. He can have groups of either 10,000 or 1,000 numbers for an annual rental of about £10 per number.

But Mr Nabarro says this would cost too much and does not offer enough flexibility.

Digital Paging Systems wanted its own set of numbers that it could offer customers. But Mr Godfrey Wilson, the company's general manager, says British Telecom set the price too high and the plan was dropped.

Mr Wilson's company, a subsidiary of Graphic Scanning of the U.S., has spent nearly £2m over three years on setting up a service in London.

The company has earmarked another £5m on extending the service over other areas of the country.

Of the three organisations with national licences, Air Call has had the most success in obtaining numbers from British Telecom. It reached a deal after two years of negotiations. Air Call now has a complete exchange in London. It rents this from the state corporation for about £100,000 annually.

This gives the company 10,000 numbers which it is distributing to customers. Anyone dialling a London number 01-933 XXXX is automatically connected with a paging terminal that belongs to an Air Call customer.

"This is a major move toward liberalisation," says Air Call. "It is a big step by British Telecom in giving the market place what it wants."

Meanwhile, British Telecom's own radio-paging subsidiary is not standing still. It will announce later this year a new service called Voicebank, which will store voice messages for people with pagers.

Under the system a person dials a number and speaks to a computer. The number is unique to each man or woman with a pager.

The computer stores the message and then sends a signal to the relevant pager, which instructs its owner to dial into the computer to listen to whatever it has recorded.

ELECTRONIC BANKING

ATM network costs cut

BY ALAN CANE

ROBOT bank tellers are getting cheaper to the point where it becomes economically sensible for a medium sized or small financial institution (a building society, for example) to think about installing its own automated teller machine (atm) network.

For less than £1.25m, such an organisation can now instal a network comprising 50 or so cash dispensers complete with a computer to control the network and all the necessary software to run it.

It sounds a lot of money, but it is only about half what a similar system implemented in yesterday's technology would cost.

An atm network comprises four separate parts — the automated teller machine itself, the telephone lines connecting the machine to the bank's central computer system, the computer and the software which holds it all together.

Cost reductions are chiefly being seen in the hardware, the atm and the controlling computer.

A conventional through-the-wall atm can cost up to £30,000 including the cost of installation. A large hole has to be cut in the wall of the bank and space has to be cleared to accommodate the large and heavy cash safe.

Now Interinnovation, a Swedish-based firm which manufactures note dispensing equipment (its *rapid* cash dispensers are in use in 300 National Westminster branches in and around London) is developing an atm which installed, should cost no more than £18,000.

It is based, in fact, on the high-speed cash dispenser, but it requires only a very small hole to be cut in the wall—only six inches in diameter, in fact.


Glyn Genin

Cheaper atms mean more services. This IBM-built machine in Japan is used to dispense executive daily expenses

Some building societies are already saving money by installing their conventional atms through armoured glass.

Another significant step towards bringing the price of atm networks down is an announcement by Applied Communications Inc (ACI), a Omaha Nebraska based electronic banking software company, that it is now offering its well regarded atm processing and switching software on much cheaper computer hardware.

ACI specialises in Tandem computers, a highly priced — £200,000 and more—but highly thought of machine much prized by the banks because of its reputation for tolerating faults.

Every part of the system is duplicated and it is always possible to retrieve the situation no matter what goes wrong.

This is critical in electronic funds transfer systems. Mr Malcolm Neill, managing director of ACI in the UK says that the company's Base/24 atm software is written to match the fault tolerance of the Tandem computers: "If a telephone line goes down we can always *tell* if it failed before or after the machine dispensed cash."

Now ACI is offering Base/24 on Stratus computers, which cost only about half as much as the Tandem machines but offer the same fault tolerant virtues — although not, of course, the same capacity.

Base/24 software is compatible across both the Tandem and Stratus range so that a company with a Tandem based network in London could, for example, establish a smaller network at a lower cost in Birmingham or Manchester.

It has just completed a 100-160 terminal system for the Scottish Trustee Savings Bank based on Tandem.

MEDICAL TECHNOLOGY

Lasers in heart treatment

MEDICINE and technology have come together to provide what may be an advance in the treatment of coronary heart disease.

For the past year a team at Glasgow's Western Infirmary, led by Dr Henry Dargie, consultant *cardiologist*, and Dr Alex Elliott, chief physicist, have been working on a project to determine whether a laser beam could be used to clear fatty deposits in artery walls.

Barr and Stroud has lent the hospital team a specially-modified laser and is to manufacture other specialised equipment to the team's specification. It will also provide technical assistance.

A Greater Glasgow health board spokesman said: "Ex*periments have been done on* tissue sections, isolated coronary arteries and cadaver hearts. Results have been so encouraging that it is hoped to introduce the procedure, which is known as laser angioplasty, in the Western Infirmary before the end of the year."

In essence, a special catheter carrying a fibre optic lightguide will be inserted under local anaesthetic into an artery in the patient's thigh and fed to the affected area. Laser energy *will then be passed along the* lightguide to destroy the fatty deposits clogging the artery.

The procedure will entail only a three-day hospital stay and little time off work. More importantly, stress the board, it can be repeated if necessary.

Directory

Fax facts

AT LONG last British Telecom has published an up-to-date directory of facsimile numbers. The directory lists only 7,000 out of about 30,000 machines in the UK. Today there are more than 1m facsimile machines in the world.

British users are able to contact 73 countries directly. The directory costs £4.50 including VAT. More information is available on 01-357 3737.

Database

Industry report

THE EUROPEAN database market is forecast to grow at a rate of 25 per cent a year to a value of US$1.8bn in 1987. This is according to a report by market consultants, Frost & *Sullivan*.

In 1982 the market was worth nearly $800m. The UK accounts for a third of the European market, West Germany one quarter followed by France. More details in the UK on 01-233 1080.

Computing

Olivetti's package

OLIVETTI is to distribute Peachpak, Peachtree's office productivity software. This comprises word processing, spelling checker, mailing list program and the PeachCalc speedsheets programs.

These will be supplied with Olivetti's M20 micro sold with the MS-DOS operating system. More details on 01-785 6666.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Training at Blue Circle

A Board game for the workers

BY ARNOLD KRANSDORFF

BLUE CIRCLE'S management training expert, Robin Garstone, remembers the incidents well.

One of his colleagues in the west Country was trying to persuade a supervisor to attend a special in-house training course. The company trainer asked the question: "What happens to Blue Circle's profits?" The unhesitating reply was: "Well, they're shared out among the directors, aren't they?"

On another occasion, at one of Garstone's training sessions, a senior shop steward from the cement company informed his audience that he saw no reason why the £12m cash shown in the previous year's balance sheet should not be distributed among the company's employees. "I want it for the lads" he said.

By the end of the training course, says Garstone, it had been made abundantly clear why it was not available for the lads—or for the directors.

The two stories illustrate precisely why Blue Circle started a training programme to teach employees the facts of business life. The programme, which was launched five years ago and centres on the intensive use of a computer game, is a far-reaching attempt to change the age-old misconceptions about management which are rooted in the UK's class structure.

While the use of management games is not unusual in the training of particular groups of executives, it is rarely standard practice throughout an organisation—at least in the UK.

In Blue Circle's case, it is company policy to encourage all 7,000 employees to play the game, which is similar—albeit less complicated—to the popular UK National Management Game, its Scottish equivalent or the nationally-organised schools games.

In management games, teams of players take over the roles of top managers to make a number of strategic decisions in a fictitious trading situation. These decisions are fed into a computer, which translates them into either profits or losses.

Playing the game inevitably encourages intense competition between the teams but Blue Circle says that its educational value is the more important feature of the exercise.

So far about 1,000 Blue Circle employees have taken part—from executives to lorry drivers, sales representatives and clerks.

The computer game is part of a comprehensive training course incorporating the ordinary training techniques such as lectures, group discussions and delegate presentations. This, in turn, is part of a wider group strategy to strengthen employee involvement following the recommendations of the 1977 Bullock Report on Industrial Democracy.

Blue Circle's argument is that merely telling employees about business concepts such as profit does not necessarily mean that they understand them. Hence the "live simulation exercise."

The Blue Circle course—lasting a week and called "How business works"—was adapted from a similar course and software package used by one of its competitors, the Swiss cement company, Holderbank, which also uses it on a company-wide basis. Holderbank estimates that around 10,000 people worldwide have used its game as a training tool.

The game is played by three syndicates of six people, each representing the board of a small manufacturer of electric toothbrushes battling against Japanese competition and rising oil prices.

The toothbrush maker has just published its fourth annual report, profit and loss account and balance sheet. Although the company is financially sound, its trading performance is bad, making only a 1.4 per cent margin on revenues.

The syndicates take their company through five years of operation. In between each period they have to make 10 strategic decisions from setting a selling price and an output level to calculating an advertising budget and deciding on staff numbers in production and the level of dividend to be paid to shareholders.

Garstone says that the syndicates are generally left to set their own objectives and decide how to achieve them. However, through the supporting lectures and discussions, they are "encouraged" to think in terms of making a profit, improving quality, achieving an increased market share and maintaining a sound financial base and personnel policy.

Having decided on strategy, each syndicate passes its decisions into a computer, which calculates the effects and produces the results in the form of a new profit and loss account and balance sheet.

Although the computer game and associated course material is described as giving no more than elementary instruction in the workings of business, Garstone claims that by the end participants can "more fully understand the relationship between the national economy, the enterprise and the individual and be able to explain the structure and purpose of a business."

They can also, he says, "describe the roles of various departments, the relationship between product costs, volume sales and market price, and explain the balance sheet and profit and loss account as measures of business performance."

Garstone believes that there is a widespread lack of comprehension about the fundamentals of business life throughout British industry — he describes the majority of workers as being "economically illiterate and by and large innumerate."

This lack of comprehension can create "all sorts of misplaced beliefs which, if allowed to persist, could damage the interests of the organisation."

So far the course has been generally well received on the shopfloor. Blue Circle has had no trade union opposition and only one employee has pulled out of the course — "he did not see the point and wanted to get back to his lorries," recalls Garstone. "One individual objected on the grounds that it was capitalist propaganda but he revised his view at the end of the week."

Keith Court, group director of personnel and management services, believes that the computer game is an important element of the company's package of measures to increase employee involvement.

"It has certainly helped us to undertake change," he says. "Our workforce has been reduced by a third over the past three years and we've been able to make these changes without the place falling apart.

"The pressures of our own environment have obviously given the game a greater reality. In turn, the game has got people to think outside their own cocoon."

From the shopfloor, Ron Smith, a chief stores controller at the company's Westbury, Wilts, works, where about half the 330 employees have played the computer game, said the course had probably given the participants "a greater insight into the wierd and wonderful decisions that are taken by the company."

He recalls an occasion on the course he attended when a shop steward's company was not doing very well. "It was fascinating to see him taking decisive action to lay people off." Smith says it has certainly helped to close the gap between management and workers, but "with the passing of time, we are slowly falling back into the 'them and us' attitude at the works."

Valerie Davies, a dispatch clerk at a small distribution depot at Theale, near Reading, says that although she had an accountancy background, the computer game has still given her a greater insight into how the company worked, and particularly an appreciation of the competition of the marketplace.

She estimated that about half those attending her course probably realised afterward that they would not make good managers themselves.

Involvement is the key

THERE IS no shortage of computer management games available in the UK. While their quality may well be the best in the world, fewer British companies use them as a training tool compared with their U.S. cousins.

Most are designed by computer whizz-kids who either set up their own consultancies or sell the packages to the larger software houses, computer manufacturers or universities. The National Management Game originated by the Financial Times, for example, was designed by ICL while the Scottish equivalent was drawn up by Strathclyde University.

But by far the majority come from small suppliers dotted around the country. An index of them appears in The Handbook of Management Games* by Chris Elgood.

He believes that computer games are an important element of the training process.

A good game, he says, will create greater involvement than might otherwise occur, which means that people will be more motivated to learn. "A game gets people interested because of the natural competitive spirit that exists in the majority of human beings and because of its dynamic nature, it is always creating new problems to solve and new opportunities for success.

"It allows trainees to 'own' the training situation in a way that is not possible with other methods."

One of the largest suppliers of "simulation" packages is Management Games, which is based in Ampthill, Bedfordshire, and run by Philip Sykes. Over the past three to four years he has sold or run specialised computer games to around two dozen British companies, such as Barclays and the TSB, Coates Brothers, GKN, W. H. Smith and Beechams.

Generally, the games cost between £50 for a simple package where as few as two decisions have to be made, up to £9,000 where up to 40 separate decisions are possible.

* *The Handbook of Management Games, available from Gower Publishing, Croft Road, Aldershot, Hants GU11 3HR. Price £17.50.*

Out to grass . . . what next?

Michael Dixon reports on the scope for voluntary work after retirement

"MAKE WAY for the young" is a corporate slogan characteristically preached by top-rank executives even though they rarely if ever practise it personally.

For their colleagues who have got stuck on the levels below, the ceremony that traditionally marked long-serving managers' departure on full pension is now highly liable to be forestalled. Long before they get old, let alone unproductive, more and more of them are being called into some po-faced personnel pundit's office and told they are organisationally inconvenient.

The pressure on middle rankers to retire early may perhaps be blamed directly on company chiefs complacent enough to go on pulling in young recruits but not clever enough to pull in the extra business to stretch their talents. But the added social pressure arising from high unemployment among people under 25 has given taking early retirement the aura almost of a moral obligation.

It is a daft development. While some of us in our rising 50s are no doubt due for enforced leisure, a lot have much creativity left in us. For example, Sir Henry Royce did not start designing engines until he was 56 and produced those which won the land and sea speed records when he was a decade or more older . . . and so on many times over.

Sadly, whatever the productive steam remaining, many of the managers reaching later middle age today have spent most of their life serving some organisation which, deliberately or not, has encouraged them to be dependent on it for initiative. When it says they are fit only to be put out to grass they often believe it. They tend to mope about and moulder unless they can find a comparable post in a similar organisation, which hardly any can these days.

Meanwhile, numerous organisations of other kinds are unable to fulfil their various important aims for lack of the same prematurely pensioned talents. Anyone wanting examples of superannuated executives going in and giving new life to one or other of the UK's 200,000 charitable and other voluntary organisations, need only glance through a short book published today with the backing of the Retired Executives Action Clearing House. REACH is probably Britain's leading agency in matching otherwise wasting managerial skills with the needs of voluntary groups and so on.

They make up a big sector of the economy, says Judy Kirby, the author. Their combined annual income is estimated at roughly £5bn, rather more than half of it from donations. To improve their use of it and of the 15m man-hours put in weekly by their full and part-time workers, some of them are always seeking the types of skill possessed by many retired business people.

Government grant-getting and other fund raising on a systematic basis—"it is not begging . . . it is more like stalking the corridors of power"—is a constant concern. But is it far from the only one.

"Most groups need help with budgeting . . . the sort of accountant who can think about goals and translate them into financial terms." As another instance, besides skills in the rougher kinds of technical management such as maintenance of vehicles and buildings, the voluntary sector is short of expertise in the use of information technology.

Expenses

Naturally there are snags. Few if any groups pay their ex-executive helpers more than out-of-pocket expenses. Existing staff who have worked all their life in voluntary organisations often clash with newcomers with commercial-type reflexes. There is also the odd sublime mis-match, like the lifelong manager from the brewing industry who was allocated to the Band of Hope.

But for grey-haired venturers with the skill of adaptability as well as their professional techniques, there is usually something worth doing that some handily placed group will allow them to do part-time. And on occasion it turns out to be "more interesting than anything they've done in their whole careers."

Work after work, by Judy Kirby. Quiller Press. £2.95.

THE ARTS

Architecture/Colin Amery

Domestic design

Jeremy Dixon is a member of a select band. As an architect he has not built a great deal but his most recent work has about it the touch of real quality and radical thinking. In 1980 his houses in St Mark's Road, London provided an opportunity for him to demonstrate that it is possible to enrich the language of simple domestic architecture. Those houses in the more remote purlieus of North Kensington absorbed the influences of the great tradition of the Edwardian and Victorian London suburban house. The row of houses has pitched roofs, steep Dutch gables, precipitous flights of front steps and an eclectric adaptation of the local bay-windowed vernacular. In a more fundamental way these houses banished some of the tired precepts of modernism. They returned to the idea of a row of houses on a street and gave them some qualities of simple individuality. Not for Dixon the scooping up of a group of tenants into one anonymous block.

Do his simple house designs acquire an importance beyond their worth because they represent the light at the end of the tunnel? Would we even bother to look at them if we had not endured the visual disasters that the majority of the practitioners of modernism have inflicted upon our lives? The revival of the common sense precepts of domestic design may in itself be unremarkable but it is a necessary stage on the road to the revival of good everyday architecture.

Jeremy Dixon's latest scheme is a group of five "villas" in Lanark Road in Maida Vale. Each villa contains seven flats. The story of the development of these flats is an unusual one. The narrow site was owned by Westminster City Council and they sold it to a developer, Michael Taylor of R. P. Taylor Ltd, but fixed the selling price of each flat (£17,000 to £18,000). The need in the borough is for cheaply priced flats for tenants on the housing lists who want to buy starter homes. An official at the City Hall, Sheila Tribe, brought together the architect and the developer and managed the complex business of securing cheap, flexible designs for a waiting list of applicants.

The site is in an area of London that was developed in Victorian times with streets and streets of semi-detached villas. Many of these speculations adopted the simple elements of classicism into a simple and workable architecture. Nash had already led the way. His schemes succeed at the picturesque level as scenery, but sometimes their detail is crude and the construction weak. His *influence is universal to this* day, however, and it is possible that, given the chance, younger architects today could add the element of the picturesque to their modern, simplified classical designs.

Dixon would argue that his scheme is not so much an exercise in the extension of the classical language but much more an exercise in pragmatism. His belief that you should try to find the right solution for each individual site also moves him away from the Modern Movement approach that tried to impose a universal system upon a variety of architectural problems. This decision not to apply purist theories is what places him in a very select group.

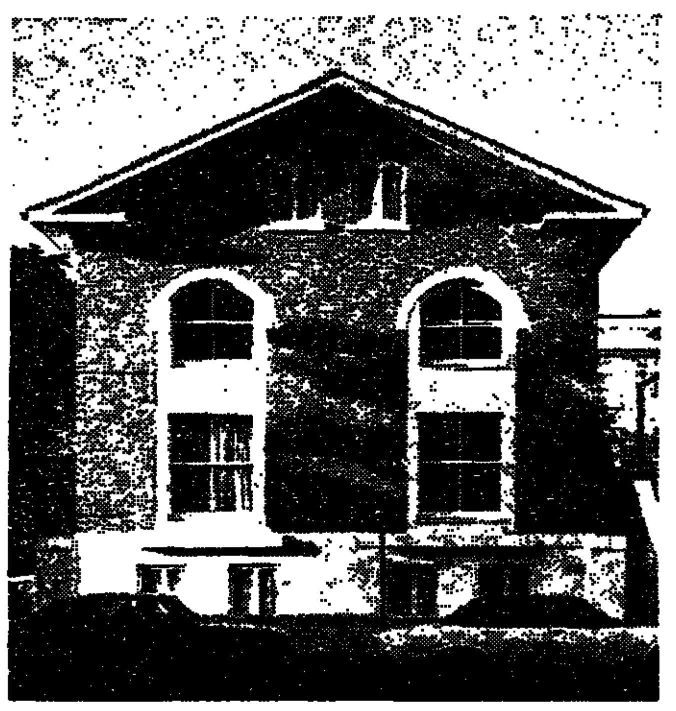
The five villas look like a prominent formal architectural statement. Five load bearing brick boxes, the front façades are relieved by pairs of double height window arches and terminated by overhanging generous roofs. As a composition the five houses lack a *central focus*. Nash would have emphasised the pediment of the middle villa or added a storey. Entrance doors are tucked around the sides of each pair and the only visual emphasis is a skeletal entrance arch at the top of each flight of steps. This is weak post-modern gesture, uncertain whether to be scenery or amusing hints of formality.

Are these simple classical façades examples of a new architectural trend—a concern for facial appearances rather than practical substance? In fact the individual floor plans are designed to allow for a flexibility that is belied by the façades. A considerable amount of do-it-yourself activity was envisaged to keep the price of the flats as low as possible. The first stage plan has an open plan kitchen and a bed recess—a layout intended for a young couple with few possessions. As families grow or the budget improves it is perfectly possible to build a series of partitions.

Simple construction, the ability to adapt and change the interiors and a simplified but decorative building vocabulary make this development infinitely interesting as a model for inexpensive housing. It is worth comparing the Dixon scheme with a similar row of flats developed in the London Borough of Hackney by architects Colquhoun and Miller. Here the pairs of houses have flat pediments and a recessed entry porch divided by a single column. The sense of a classical typology has a decidedly modern ring in its primitivism. Like the houses in Maida Vale it is the external sympathy with the neighbourhood, a feeling that the 20th century is merely an up-dating of the 19th, that marks out this new architecture and gives it distinction. London housing, indeed the housing of most towns developed in the 19th century, is distinguished by its diversity in uniformity.

Jeremy Dixon's London housing is complemented by a small microcosm of his thinking to be seen in the Tate Gallery basement coffee shop. In a space of incredible awkwardness he has inserted a Soanesque room using the circle in the square as a geometric device to enlarge the space. Mirrors, too, both flat and *convex, expand the narrow* vistas.

Both the work at the Tate Gallery and the houses reveal a fascinating concern with the reintroduction of the elements of historicism. The past 20 years in this country have shown that the need for familiar links to the past in our architecture is a strongly felt and universal one. It is encouraging to know that there are some architects who have not forgotten that we need our memories and that our built surroundings must reflect more than just utility.



Regency revival in Maida Vale

The Valkyrie/Welsh National Opera

Max Loppert

Reginald Goodall, prevented by ill-health from conducting last year's first instalment of the Welsh National Opera *Ring*, had recovered sufficiently to take charge of the second, at the New Theatre on Saturday. Musically, it was an evening of miracles. Goodall may be the greatest living Wagner conductor—after Saturday can there be any shred of doubt remaining?—but that does not mean his Wagner performances are fixed in form, content, and dimension; incredible to witness and to relate, he is still a developing Wagnerian.

Returning to the pit at an age (just short of 79) when he might have been feared lost to it forever, he gave a display of powers not just undiminished but positively and palpably increased, of new resources of energy, command, and control. For while the reading of the opera had all the qualities admired in past Goodall *Valkyries*—the inexorable drawing of each act on an unbroken thread of musical and dramatic logic, the ability to move the action towards climaxes of overwhelming grandeur without ever appearing to strain up to them, the suffusion of every strand of sound with a glow of lyricism—they were here matched by an urgency of momentum that has seldom been counted one of them.

By the clock, I am informed, this was a notably "fast" Goodall *Valkyrie*. It did not feel fast; what the whole performance communicated was a sense of Wagnerian power, unforced and unconstrained, beyond all previous experience. The introduction to Act 2 and its final half-hour achieved indescribable grandeur; in the rapturous outpourings earlier and at the finale, one could almost feel the small auditorium swelling (but never splitting) in the effort of accommodating such a flow of glorious sound. The playing of the WNO orchestra had, if one cared to notice, its patches of tiredness and imprecision: for myself, I was in no mood to do so, but listeners to the live Radio 3 broadcast may have been able to judge such things more temperately.

Beyond mentioning that the singing of a largely untried *Valkyrie* cast was uniformly more accomplished than advanced perusal of the cast-list might have promised, one could be forgiven for leaving the review at that point: the production by Göran Järvefelt in the scenery of Carl Friedrich Oberle would have had to be a disaster of scandalous proportions to spoil the Goodall majesty, and it wasn't. For the record, though—because he is not down to conduct the complete WNO *Valkyrie* schedule, and in his absence such aspects may well assume greater significance—the visual and dramatic side of the performance proved far from worthy of the musical.

Like Last October's *Rhinegold*, though to a rather less embarrassing degree, the production team evinces no really cogent grasp of the opera beyond the creation of stage pictures—and stage pictures, at that, of only middling effectiveness. Act 1 is played in a wood-panelled hut (with more than a touch of MFI do-it-yourself about it); the naturalistic snowscape of the second is followed by the Stonehenge-type burial ground of the third. Late-19th-century features shared with *The Rhinegold* protrude less predictably than in the *Vorspiel*; the best one can say is that, beyond keeping Fricka on stage and then returning her thereto well beyond the call of Wagnerian good sense, the producer did not actually get in the way of the music. Most of the discernible production seems in fact to have been used up in Act 1 (the suggestion that between Sieglinde and Hunding there was no warmth but some physical response is interesting). After that, the performers give every appearance of having been left more or less to their own devices; and the longer their Wagner experience, the greater their effectiveness.

On this reckoning, it is Anne Evans and Patricia Payne who carry greatest weight. Miss Evans' soprano, properly a Sieglinde voice, sounded at times fresh and brilliant in the New, a theatre in which she can acquire, or at least suggest, Brünnhilde's heroic dimension. Miss Payne's Fricka, though prey to shrillness and unsteadiness, is also strong and dignified; the contrast with the Wotan of Philip Joll, no less towering of stature but small of scale and authority, was telling. (Mr Joll may still mature in the monumental part, though he appears to lack its low notes for the narration.) Sieglinde is Kathryn Harries, at once warmly emotional and neurotically pent—a portrayal of wonderful potential, marred, at present, by uneven vocal control. Warren Ellsworth (Siegmund) has developed impressively since his Parsifal for the company, and under Goodall will develop still further. (He stresses Andrew Porter's English unnaturally—which were the "evil four tunes" he so disliked?) The final tribute to be paid the conductor is that, with such a cast, he was able to create a feeling of magnificence unbroken.

Saint Joan/Olivier

Michael Coveney

Bernard Shaw's large and talkative play has been called both a charmless masterpiece and the playwright's one single serious achievement. Either way, its reputation has always far outstripped anything I have actually derived from it in the theatre, and Ronald Eyre's revival for the National on the Olivier stage, while full of admirable things, nonetheless leaves me absolutely stone cold.

Desmond MacCarthy once said that in order to appreciate *Saint Joan*, you have to have experienced religious emotions yourself. The maid of Loraine embodies the individual rebellious conscience and is confronted by the unyielding establishment of the secular church in both France and England. Her voices, her bells, her simple passionate faith that God is communicating to her through revelations all add up to the dangerous possibility that her faith is genuine.

For this reason, she must be done away with. The last thing the Church could contemplate is proof positive of God's existence. It would run counter to the whole system of control by fear and superstition. Arriving at the castle of de Baudricourt looking like a cross between a Dutch milkmaid and Helene Weigel, Frances de la Tour is from the start a direct, plain-talking customer uncomplicated by shows of pious zeal or seraphic benevolence. She has come, simply, to raise the seige at Orleans, crown the Dauphin in Rheims and remove the English from French soil.

The comedy of Baudricourt and the eggs, if you can call it that (I had better declare here and now that I find Shaw's heavy-handed jokes and mocking quips, usually at the expense of the English, a trial almost as demanding and unfunny as that endured by *Joan herself*), is enlivened by Brian Glover using a wrestler's head-lock on the beleaguered steward. When Joan leaves and the full basket of eggs is produced, Mr Eyre and his lighting designer, Chris Ellis, produce the first of three memorably transfigured tableaux.

Rightly, the production takes the possibility of miraculous manifestations seriously. There is a similar effect when the wind changes on the banks of the Loire, where Mark Wing-Davey salvages the West Wind incantation by treating it lightly, with a smile on his lips, as an unusually deft and self-possessed Dunois. The white radiance that descends on Joan in the epilogue when, after her adversaries have owned up to their deficiencies and abandoned her once more—this time because she is too good for them rather than too evil—is the final, clinching image.

Apart from these moments and a most irregular use of Vatican newsreel to announce Joan's canonisation, swiftly followed by her apparent ascension through another slide of a baroque cupola—all of which I found rather kitsch—there are no great surprises about the evening. It all looks exactly as you would expect in John Gunter's design: stock medieval costumes, banners and flags with the fleur de lys, leaping flames arousing sad memories of *Jean Seberg* and hordes of stage hands shunting around three wooden Castilian fortresses.

The best moment comes when the blue and white banners that are background to the coronation procession fly up and reveal Dunois and Joan in the echoing cathedral. The quiet of Miss de la Tour's absolutely unstudied: "I will go back to the farm after I've taken Paris," is in sharp contrast to the crashing dissonance of Ilona Sekacz's music for trumpets, percussion and organ.

This Joan establishes well defined relationships with the various members of the Dauphin's court, where Ian Price is an impressively saturnine Gilles de Rais. The Dauphin is played by Timothy Spall rather like a young Charles Laughton with a pudding-basin haircut. He has a nice way of switching his gestures from hand to hand while half way through them, and his nervous, blubbery laugh and sudden response to Joan's encouragement — he crosses the stage in absolute silence before snapping his fingers at the general and giving the army to Joan—rescues the role from the usual run of limp-wristed pathos.

All is going along reasonably well until the inquisition scene. Cyril Cusack has been one of the outstanding actors of his day. But what on earth he is doing here as he casuistically leads the witch hunt is beyond me. Those lilting Irish tones form some bizarre cadences and one feels he is less than secure with his lines, judging by the peculiar, unemphatic caesuras he inflicts on them. This potentially exciting, even intellectually invigorating, scene is completely destroyed.

All the actors dressed up as priests sit around wondering not whether Joan will go to the stake but whether Mr Cusack will get through his lines. The recantation just about works, and the hideous below-the-belt sentence delivered by the deputy sends a few shivers down the spine. It could hardly do otherwise. Miss de la Tour, by now resembling a manacled punk and looking curiously much more the age of Joan (who is about 18), tears up the recantation in an impetuous, limb-jangling fit.

In the final moments there is a sprightly English soldier from Alfred Lynch, while Michael Bryant and, more notably, Philip Locke, paint a haunted dimension on to their respective pictures of Cauchon and de Stogumber.

Alastair Muir

Frances de la Tour as Saint Joan

Festival Ballet/Elizabeth Hall

Clement Crisp

A commendable development in Festival Ballet's quest for a fresh audience is a concert group of 10 dancers and two pianists seen on the South Bank for a single performance on Friday night. The intention is to bring ballet to locales where the full forces of the company cannot be accommodated. I doubt if anything should be accommodated within the hideous functionalism of the Queen Elizabeth Hall and Festival's artists had an unenviable task to try and surmount the inadequacies of stage, inconsequential lighting and airport ambiance. Yet surmount them they did, though the opening group of solos from *Les Sylphides* will, I hope, seem truer to the ballet's spirit in better surroundings. The dances need room to breathe (the "little waltz" looked as if grounded by fog), but Andria Hall and Mark Silver contrived to suggest something of the choreography's romantic dreams.

More suited to this sort of evening were Ben Stevenson's *Three Preludes*, with Janette Mulligan and Alexander Sombart impassioned as two dancers whose romance starts with an imaginative if improbable use of the *barre* at which they are working. Miss Mulligan was also the heroine of *Emily*, a melodrama by Kate Simmons (a former member of Festival Ballet) which boasted an accompanying score precisely attuned to its naivetés. It was *an unintentionally farcical* incident about madness in Victorian times; I found it hugely funny, but do not suppose that to be the desired effect.

A welcome novelty was André Prokovsky's *The Aquarium*, a sunny sequence of dances to a dozen irresistible Gershwin tunes. Mr Prokovsky has no need to provide the social coat-trailing about the two Disraelian worlds of America during the Depression, which only gets in the way of happy, well-crafted and well danced numbers that use the entire ensemble. Mark Silver was most noteworthy as, too, *David Elwin and Kevin Darvas* who played Gershwin with springing rhythms and plenty of pianistic glitter. I hope that Festival Ballet will take this entertaining piece (relieved of its "Give us work" placards and conscience) into their permanent repertory: it should look good on any stage.

London Symphony/Barbican

David Murray

Rudolf Serkin is indisposed; he was to have played two Mozart concertos in Friday's concert. The London Symphony was lucky to find Alicia de Larrocha to replace him—but she played only one (though superbly) which meant altered *timing for the interval, which* meant that the concert crowd had to fight an RSC audience for coffee. The queues might have been calculated to drive one to drink (the concert was sponsored by Whitbread). Why, amid so many gleaming bars, are the Barbican coffee-arrangements so mingy and *ad hoc*?

There was nothing *ad hoc* about Miss de Larrocha's performance of the C minor Concerto K 491. The integration of soloist and orchestra, with Claudio Abbado conducting, was seamless, which isn't to say bland; but Abbado's intimations *of something dark and harried* in the orchestral introduction—which set off the quiet intensity of the piano's entry perfectly—were achieved without any jagged gestures. The suave manner proved to accommodate the full tragic gravity of the Allegro, and in the Larghetto Miss de Larrocha's lucid paragraphs and the wind-serenading alternated in marvellous balance. Her touch had the brilliance proper for the Finale, but that whole variation-sequence was so tautly argued as to forbid any sense of "light relief."

If the mature authority of that performance wasn't equalled by the other works in the programme, the fault was the composers'. Beethoven's *Meeresstille and Glückliche Fahrt*, op. 112—a welcome rarity, excellently sung by the London Symphony Chorus—begins with a fine evocation of becalmed anxiety at sea (with 10 double-basses, Abbado suggested great still depaths), but celebrates the rising wind rather tamely. It is impossible to love Mendellssohn's "Reformation" Symphony, even with quadruple winds for the "ceremonial" outer movements (an increase *in mass doesn't help music of* no intrinsic weight); the little movements in the middle were gracefully shaped, but as always sounded like self-contained bits of a loose suite. Between the Octet and the "Italian" Symphony, how *could* Mendelssohn have produced something so unconscionably routine?

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Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

February 17-23

LONDON

London Philharmonic Orchestra conducted by James Loughran with Cecile Ousset, piano. Berlioz, Saint-Saens, Franck and Mussorgsky/Ravel. Royal Festival Hall (Mon). (928 3191).

London Symphony Orchestra conducted by Claudio Abbado with Rudolf Serkin, piano. Beethoven, Mozart and Mendelssohn. Barbican Hall (Mon). (638 8891).

Bach Choir and London Symphony Orchestra conducted by Sir David Willcocks with Felicity Lott, soprano, Penelope Walker and Margaret Cable, contraltos, and John Scott, organ. Poulenc, Debussy and Mathias. Royal Festival Hall (Tue).

Royal Philharmonic Society: City of Birmingham Symphony Orchestra conducted by Simon Rattle with Ida Haendel, violin. Britten, Elgar and Nielsen. Royal Festival Hall (Wed).

Lucia Popp accompanied by Geoffrey Parsons. Schumann, Barbican Hall (Wed).

London Philharmonic Orchestra conducted by Vernon Handley with Janet Baker, mezzosoprano. Elgar. Royal Festival Hall (Thur).

PARIS

Chamber Music - *Pupitre 14* conducted by Edmond Rosenfeld: Sovouret, Chaynes, Stamitz (Tue), Radio France, Grand Auditorium (524 1516).

Maria Tipo, piano: Scarlatti, Beethoven, Chopin (Tue), Theatre des Champs Elysees (723 4777).

Maria Farandouri: Greek and Turkish folk songs and music (6.30pm Tue, Wed, Thur), Theatre de la Ville (274 2277).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Radu Lupu piano, New York Choral Artists directed by Joseph Flummerfelt. Webern, Mozart, Holst (Tue); Zubin Mehta conducting, Patricia Wise soprano, Thomas Moser tenor, Simon Estes bass baritone, New York Choral Artists conducted by Joseph Flummerfelt. All Haydn programme (Thur). Lincoln Center (874 2424)

Carnegie Hall: Philharmonia Orchestra, Vladimir Ashkenazy conducting and solo piano. Beethoven, Sibelius (Mon); Henryk Szeryng violin recital. Brahms, Bach, Bartok, Paderewski, Sarasate, Halffter (Thur). (247 7459)

WASHINGTON

Concert Hall: National Symphony, Rafael Fruhbeck de Burgos conducting, William Steck violin, Copland, Dvorak, Bartok (Tue, Thur). Kennedy Center (254 3776).

CHICAGO

Pleyel Ensemble (Orchestra Hall): Bartok, Berkeley, Rochberg (Wed). (435 8122)

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting Lyadov, Shostakovich (Thur) (435 8122)

WEST GERMANY

Berlin, Philharmonie: Pianist Ivo Pogorelich, Bach, Beethoven, Brahms and Chopin (Mon): Daniel Barenboim piano, Beethoven and Liszt (Tue); Marc Neikrug and Pinchas Zukermann, Bach, Tchaikovsky and Saint-Saens (Thur).

Frankfurt, Alte Oper: Royal Philharmonic Orchestra under Antal Dorati, Debussy, Michael Tippett and Beethoven (Tue).

BRUSSELS

Eugene Istomin, piano. Bach, Stravinsky, Beethoven, Schubert and Chopin. Palais des Beaux Arts (Tue).

Jorma Hynnenen, baritone, accompanied by Ralph Gothoni. Schubert. Theatre Royale de la Monnaie (Tue).

Liège Philharmonic Orchestra conducted by Pierre Bartholomée. Palais des Beaux Arts (Thur).

ZURICH

Tonhalle: Tonhalle Orchestra conducted by Ralf Weikert with Adelina Oprean, violin. Mozart, Prokofiev and Dvorak (Wed); Louise Michael, soprano, accompanied by Willy Haussiein. Beethoven, Poulenc and R. Strauss (Thur).

CONSTRUCTION CONTRACTS

£13m Tesco store in Neasden

KYLE STEWART has won contracts worth £20m. The largest, valued at just over £13m, is for construction of a superstore at Neasden for Tesco Stores which will be one of Tesco's biggest in the UK with 9,300 sq metres gross area. A contract, value £6.3m, for the Department of the Environment, is for a wardroom and accommodation at HMS Warrior, Northwood. The wardroom will consist of a steel-framed two-storey block, total area 3,450 sq metres, with a single-storey linking to 11 two- and three-storey accommodation blocks, total area 8,300 sq metres, encircling landscaped gardens. Work starts on March 12. Work has just commenced on a £500,000 two-storey reinforced-concrete-framed brick-clad office and welfare block for the London Borough of Hackney.

*

BALFOUR BEATTY POWER CONSTRUCTION (AUSTRALIA) PTY has been awarded a contract for a 220 kv overhead transmission line from Moorabool to Ballarat in the State of Victoria. Value is A$3.8m (£2.25m). The client is the State Electricity Commission of Victoria which will supply the insulators and the conductor with steelwork from a local fabricator. Work is scheduled to be completed by December.

Balfour Beatty Power Construction has signed a contract with the Government of Belize for four Callender-Hamilton bridges, on the Southern Highway in Belize to replace existing timber bridges. The contract includes foundations, substructure works and road approaches to be completed in 12 months. The project, valued at £2.3m, is being financed by Government funds, administered by the Crown Agents for Overseas Governments and Administrations. The Callender-Hamilton bridge steelwork will be fabricated by Painter Bros, Hereford, fabrication division of Balfour Beatty Power Construction. Balfour Beatty is a member of the BICC Group.

*

WILCON CONSTRUCTION has won contracts worth £1m: four retail units in Hitchin at £284,000 for Wilson (Connolly) Properties; conversion of Felden Hall at £171,000 for Warwick University; an industrial unit with offices at £360,000 for Patrina Investments at Newbury; a mosque for the Vedic Society in Southampton for £137,000; and an extension to the Routeco warehouse and offices, Milton Keynes, at £76,000.

£12m batch of work for Espley-Tyas

Contracts totalling £12m have been secured by companies in the construction division of the **ESPLEY - TYAS PROPERTY GROUP.** Manston (Contractors) has begun work on "Roaring Meg South," a 62,000 sq ft retail development at Stevenage, where retail warehouses costing £1.5m will be occupied by MFI and W. H. Smith "Do It All." Espley-Tyas Construction is to build a 50,000 sq ft superstore at Walsall for J. Sainsbury under a £3.5m contract.

Espley-Tyas Construction is shortly to begin work in the new headquarters and warehouse for Unibond at Camberley and have already started on an office development at the "Aztec West 400" Industrial Park in Bristol for North Yorkshire Securities. The two combined add a further £2m to the overall total. Other contracts included in this £12m package are for a factory and offices for J. T. Ellis and Co, Huddersfield, and 33 flats, church and site works at Bradford for the Headrow Housing Association.

*

Building and civil engineering contracts worth nearly £8m have been won by **ERNEST IRELAND CONSTRUCTION**, Bath, part of the Mowlem Group. The company has been awarded a £1.2m contract for work at Roddis House, Christchurch Road, Bournemouth, involving conversion of the top four floors of a six-storey department store to form offices above the retail area. It is for The Pension Fund Property Unit Trust, managed by Morgan Grenfell Property Services.

The company has won a £750,000 contract from British Telecom International for a repair laboratory at Southampton for submersible repeaters which are used on transatlantic telephone cables.

Ernest Ireland has an £861,000 contract for construction of two car showrooms for Dick Lovett (Specialist Cars), agents for Mercedes-Benz and BMW. At Bruton, in Somerset, which is subject to periodic flooding, Ernest Ireland is undertaking a flood alleviation scheme on the River Brue. Main feature is construction of an earth detention dam with an ungated culvert to control the flood discharges through the town. The contract, valued at £58,000 is for the Wessex Water Authority. Near Malmesbury in Wiltshire the company is constructing Whychurch Water Tower under a £500,000 sub-contract from Mowlem Industrial Project Division, who have a design-and-construct contract for the project from the Wessex Water Authority. The work comprises demolition of the existing tower and construction of a 100 feet-high tower, and provision of a covered, reinforced concrete reservoir at ground level.

Biggest conrtact, worth £1.48m, is for construction of a pump-house and reinforced concrete water storage reservoirs at Cheddar in Somerset for the Bristol Waterworks Company. The reservoirs will hold a total of 12.5m litres of water for supply to north Somerset.. Work includes 20,000 cu metres of excavation.

Isaac Jones Construction, Ernest Ireland's subsidiary, has won a £1.23m contract from the Welsh Development Agency for construction of four advance factory units at Dafen Industrial Estate on the outskirts of Llanelli. The four units, of different sizes, will total 65,000 sq ft of floor area.

*

A joint venture contract worth around £13m to build the Peterborough Second District General Hospital has been won by **SHEPHERD HADEN YOUNG.** The contract covers construction of a district hospital with 180 acute beds; 72 mental illness beds; 24 psycho-geriatric beds; operating theatres; intensive therapy; outpatients department; day hospital for psychiatric and psycho-geriatric care; and supporting services. Project management will be controlled by a joint venture board with building undertaken by Shepherd Construction. Haden Young will be responsible for the mechanical and electrical engineering services. Work on site commences on February 27 and completion is scheduled for June 1987.

North Sea exploration costs ease

By Dominic Lawson in London

THE construction costs of developing oilfields in the North Sea appears to be falling for the first time since 1971, according to figures released by Gaffney, Cline, the UK energy consultants.

This is welcome news to the UK oil industry as it enters a stage of North Sea development which will be dependent on discoveries from increasingly remote or smaller fields.

Recently Dr John Jennings, managing director of Shell UK Exploration and Production, said that up to 90 small oilfields will have to be developed if Britain is to be self-sufficient in oil until 2000. But this would require a 15 per cent drop in development costs, mostly at the construction stage.

The rate at which the UK has been adding to its reserves has declined markedly since late 1976, according to Gaffney, Cline. But they say that this trend has temporarily been arrested.

£17m orders for Tarmac Construction

Two road projects at opposite ends of Britain are included in contracts, together worth more than £17m, awarded to **TARMAC CONSTRUCTION.** The largest, at £11.2m, is for building stage two of the A9 improvement through the pass at Killiecrankie, Perthshire. It involves the construction of about one and a half miles of dual and single carriageway. Work, for the Scottish Development Department, has started and is scheduled for completion in two years. The other, worth £2.4m, is for advance roadworks on mudflats at Holes Bay, Poole, Dorset. The contract, for Dorset County Council, has started for completion in a year.

Other contracts awarded to Tarmac Construction include building the shell of a supermarket at Lichfield, Staffordshire, for Glowforest (£1.2m); demolition of existing premises and construction of offices at Maidenhead, for Macwall Estates (£685,000); a factory with offices and car parking at Scunthorpe, for English Industrial Estates (£690,000); work at a water treatment plant at East Ruston, Norfolk, for the Anglian Water Authority (£281,000); and industrial units at Sunderland, for English Industrial Estates (£228,000).

Tarmac-Cubitts contracts include replacement and refurbishment work in London for the Bank of Mellat (£583,000).

Contracts in central Scotland, totalling nearly £4.5m, have been awarded to **TARMAC CUBITTS SCOTLAND.** The largest, at £2.35m, is for refurbishment of the Bank of Scotland head office in Edinburgh. Work includes ornate plasterwork and painting and is for completion towards the end of 1985. Another contract, worth about £740,000, is for a pharmaceutical manufacturing unit at Western Infirmary, Glasgow, for the Greater Glasgow Health Board. Other projects include a series of relay rooms for British Rail, for the electrification of the Ayrshire line from Glasgow (£600,000); extensions for John McGavigan and Co, Kirkintilloch (£495,000); and re-roofing houses at Livingston, for Livingston Development Corp (£189,000).

FINANCIAL TIMES
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Monday February 20 1984

Syrian armlock on Lebanon

THE REJECTION by Syria of President Amin Gemayel's latest peace proposals for Lebanon underlines yet again that there is unlikely to be any progress towards a negotiated settlement without a frank assessment of the military realities in that tragic country.

President Assad of Syria, together with his Lebanese allies, Mr Nabih Berri of the Shia and Mr Walid Jumblatt who heads the Druze, has made that assessment and rightly concludes that they hold the upper hand.

Historic dominance

First Israel, and then the U.S., have abandoned the belief that their considerable armed strength can impose a political solution in Lebanon based on the historic dominance of the Christian Maronites. Israel has withdrawn its forces to the Awali river, and would like to pull back still further, while President Reagan has now announced a timetable for the "re-deployment" of the marines stationed around Beirut airport. Britain and Italy have also decided that their troops can no longer play a useful role in Beirut, leaving only the French undecided about their future in Lebanon.

President Gemayel thus finds himself in a position not dissimilar to that of his predecessor in 1976 during the civil war when the army disintegrated and the Christian militias faced probable defeat at the hands of the Moslem and Palestinian forces. The response then to this military reality was to appeal to the Syrians for help which President Assad reluctantly granted.

The price the Maronites paid was a continuing Syrian armed presence in their country and *increased political involvement* in the decisions of the Lebanese government. In part to escape that fate, the Maronites drew ever closer to the Israelis which culminated in the co-operation which marked the invasion of June 1982, and the May 17 troop withdrawal agreement last year.

It is the provisions of this agreement which lie at the heart of the conflict between Syria and the Maronites. President Assad believes that it is tantamount to a peace treaty, provides substantial political and military benefits for Israel, and would eventually bring Lebanon firmly under the influence of Washington and Jerusalem. Although President Gemayel is now willing to abandon the form of *May 17* agreement his latest peace proposals drew on some of its elements including the the mutual and simultaneous withdrawal of Syrian and Israeli troops from Lebanon.

It can be said with some assurance that President Assad will never accept any proposals which appear to equate Syria's military presence in Lebanon with that of Israel, or which appear to threaten or dilute the Arab character of the country.

This Syrian view has been strongly reinforced by the emergence in Lebanon of the Shia community as a powerful political and military force. Mr Nabih Berri has been struggling to maintain control of the more radical members of his militia who are strongly influenced by their Iranian co-religionists and by Israel's continued occupation of the *south of Lebanon* which is predominantly Shia. Encouraged by their military successes of the past fortnight, the Shia community could prove a longer-term threat to the Maronites than the Syrians, who have always wished to maintain a confessional balance in Lebanon.

Further fighting

President Gemayel is thus faced with the unpalatable choice of either coming to an agreement with the Syrians on conditions largely imposed by Damascus, or a further round of fighting which the Christian militias and the rump of the army seem bound to lose. Neither option is acceptable to Israel, but short of resuming its northward advance and the risk of full scale war with Syria, it is very difficult to see how it can exercise a decisive influence.

The realities of Lebanon today all point to the conclusion that sooner or later it will be left to the Syrians to seek or impose some form of *modus vivendi on the Lebanese* communities. Those countries which consider such an eventuality to be a diplomatic and political setback for their interests in the Middle East should pause to ask whether they really believe it is much of a prize to have won.

Rule of law in labour relations

THE PRIME MINISTER'S stated desire to see a major piece of industrial relations legislation go through the House of Commons every two years *seems likely to be met*. Certainly, there is no let up in the proposals being put to the Government for reform in this area.

Last week, just as Mr Tom King, Employment Secretary, was concluding a pact with the TUC which specifies that the unions must make it clear to their members that they do not have to pay the political levy, Sir John Donaldson, Master of the Rolls, was telling the Engineering Employers' banquet that the courts "have an important part to play" in the conduct of industrial relations.

Militancy

Within the next few weeks, Sir Leonard Neal, who advises the Prime Minister on industrial relations, will publish a new pamphlet calling for a ban on strikes in essential services, and for procedure agreements in all industries to be binding in the sense that unions which do not observe them lose their immunities while employers open themselves to suit from unions.

The law does now play a more central role in industrial relations than it has at any time since the 1970-74 Heath Government, when the Industrial Relations Act and the Court it established (of which Sir John was president) failed to hold back the tide of industrial militancy the unions were able to unleash. Today, with a slack labour market and a weakened labour movement, the Employment Acts have stuck and the Trade Union Bill will probably be (unwillingly) observed.

The time is ripe for continued *legislative reform*: the unions which remain officially wedded to the doctrine that the law has no place in industrial relations, are in no shape to stop it — so long as the Government can bring forth proposals which are widely regarded as being fair. (Its attempts to ban the Cheltenham unions shows how easily public disquiet can be roused when they are seen as unfair or apparently unjustified.)

Sir John held out the prospect of a more equitable approach to industrial relations through the courts than many unions now acknowledge could be possible. His case rests partly on the observation that since the unions are generally the active party in a dispute, *it is they who are "tempted to* overstep the permitted limits," thus forcing court action against them and giving rise to the widespread belief that the courts are the tools of the bosses.

If, he argues, the courts could be allowed to fulfil "their natural role as investigators of grievances and settlers of disputes" in the industrial relations field (as they are able to do in others) they might emerge in their rightful garb of objective adjudicators of the facts of given cases. This would, he says, mean that collective agreements would have to become legally binding: it would also mean the granting of new rights to unions.

That would be fair enough. A debate on the balance of rights to be enjoyed by management and workers would not go *amiss, after four years in which* legislation in this field has been aimed at "redressing the balance" and where, perhaps, the balance has more nearly been struck.

Constraints

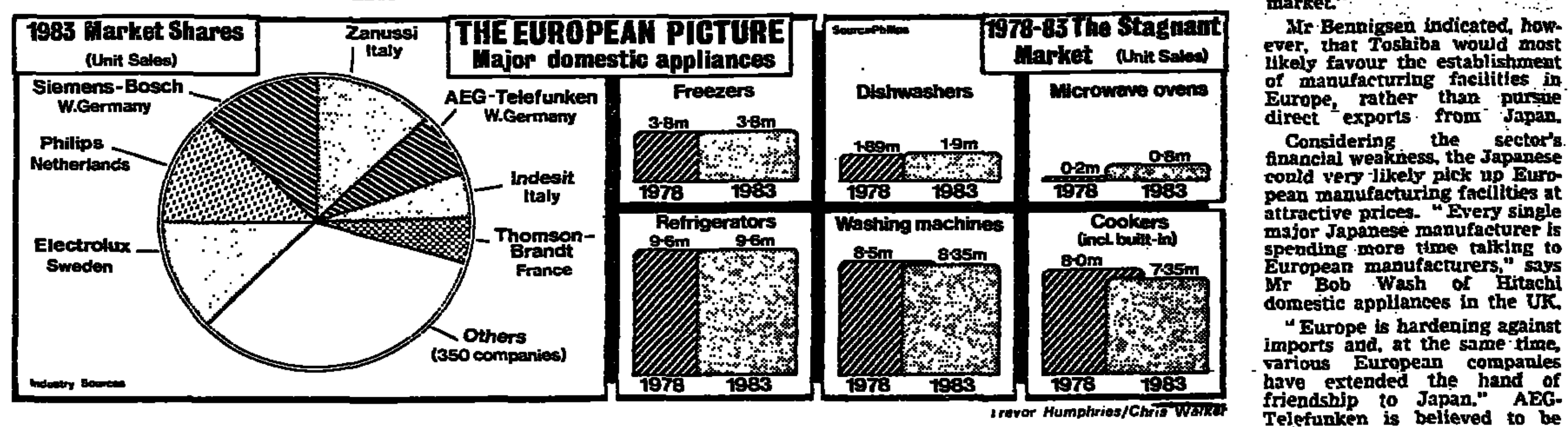
For such a debate to have a fruitful outcome, it would have to propose a structure of law in which the balancing of rights neither inhibits managerial initiative and leadership nor leaves the workers open to arbitrary and exploitative treatment. It would, by its very nature, have to deal with such sensitive issues as the banning of industrial action in essential services.

The arguments would have to be very convincing indeed to overcome the suspicion which exists in the UK over the place of law in industrial relations, among employers as much as among unions. But the climate for such an attempt is more favourable than it has been for many years. Most of the employment legislation introduced so far by the Thatcher Government has been designed to impose constraints on trade union behaviour. It has not, except indirectly, been aimed at securing the more orderly conduct of industrial relations at the workplace. That is unlikely to be achieved without a legal framework in which both sides have a powerful incentive to stick to agreements.

EUROPE'S DOMESTIC APPLIANCE INDUSTRY

Suddenly, things look even worse

By Carla Rapoport



Trevor Humphries/Chris Walker

THE EXPORT manager for a major European appliance manufacturer ran his hands through his thinning hair and said: "You should see the *prices the Romanians*, the East Germans and the Poles are selling their fridges for. We've had to stop selling table-top fridges altogether because we just can't afford such low prices."

A Swede from Electrolux? An Italian from Zanussi? No, the export manager is Mr Mihael Vutkovic, who works for Gorenje, one of Yugoslavia's largest companies.

Things have become so bloody in the Western European domestic appliance (or white goods) market that even low-*priced producers* like the Yugoslavs are complaining. Overcapacity, weak demand and poor profitability have been the industry's sorry lot for at least five years. Suddenly, however, things are beginning to look even worse.

Europe's comfortable hold on its own $10bn-a-year white goods market appears to be headed for trouble. West European producers have long consoled themselves that despite the dismal rewards from selling washing machines, cookers and fridges in recent years, at least they were masters of their home market. Problems of over-capacity, they reckoned, would be sorted out in time, either by the dictates of the marketplace or by amiable bilateral agreements.

But their time has just about run out for a variety of reasons:

- ● Overcapacity, still running at between 15 and 30 per cent in a number of product lines, is causing continued fierce price wars between manufacturers.
- ● Eastern European importers, considered merely a minor inconvenience only a few years ago, have captured a significant share of the low-price end of the fridge and standing cooker markets in many parts of Europe. They now have up to 10 per cent of some product lines in Britain, France and West Germany.
- ● The problems which befell major manufacturers like AEG Telefunken of West Germany and Indesit of Italy a few years ago have yet to be fully overcome. Both Thomson-Brandt of France and Zanussi fell deeply into the red over the past two years, and even Electrolux of Sweden could eke out only 7 per cent of its profits in the European domestic appliance market on 47 per cent of its sales. Yet no major manufacturer has quit the market.
- ● The market for microwave ovens, the one sector now expanding, has been largely missed by most European manufacturers. More than 50 per cent of the European microwave oven market (worth around $300m this year) is supplied by Japanese producers. In Britain, the largest market, Japanese penetration is over 70 per cent.
- ● The Japanese have also begun making inroads into more traditional markets. In the first half of 1983, the value of Japanese refrigerator imports in West Germany jumped by 44 per cent to nearly DM 1m. These are only a tiny portion of overall imports into Germany, but the old belief that Japan would stay out of Europe is rapidly being eroded.

The attempts to find a way out of this crisis through inter-company co-operation have so far been a dismal failure. Only 18 months ago, Sig Lamberto Mazza, chairman of Zanussi, seemed close to reaching agreements with Thomson-Brandt and another major European producer on reducing capacity.

Today, however, Sig Mazza no longer works for Zanussi and the new chairman has more urgent things to worry about: Zanussi's losses last year are estimated at more than L150bn, although this is primarily the result of its troubled electronics businesses.

The baton has been picked up by Mr Frans Tielens, the new president of the *domestic appliance division of Philips*, the Dutch company. "We are weakening each other to such an extent that we are making ourselves vulnerable to foreign attack," he says.

He argues that European white goods manufacturers, facing mature markets and demanding customers, must build high quality, innovative products to ensure their survival. "You need profits to be innovative. If we all keep battling on price, we won't make the kind of profits necessary to improve our technology." The Japanese—and the Americans with the prospect of a weakening dollar—need no reminding of this, he reckons.

Mr Tielens is contacting his counterparts throughout the industry about deals or product exchanges in both components and finished goods. But he admits that so far he's met a "good idea, let's have another drink" response from most of the industry's leaders.

There are two reasons for the lukewarm response. First, the industry knows that it has sat around for too long producing 20-year-old products and that the future belongs to the innovative. Totally new approaches to washing clothes, for instance using sound vibrations rather than rotating drums, are being investigated in the U.S.

The potential of microelectronics in domestic appliances—talking washing machines have a limited market—has yet to be fully tapped. But apart from the expense, innovation is highly competitive and companies are reluctant to co-operate when secrecy is so important.

The second reason is that there is no clear-cut industry leader. Four major European companies, each hold an equal slice of around 12 to 13 per cent of the market, not enough to dominate it.

Behind them are AEG-Telefunken, Thomson-Brandt and Indesit, with about 5 per cent each. A few others hold 3 and 4 per cent each and the rest of the market is carved up by nearly 350 more smaller companies, many of whom such as Scholte of West Germany in gas hobs, have learned how to take advantage of weak spots.

> "We are weakening each other and making ourselves vulnerable to foreign attack. You need profits to be innovative. If we keep battling on price we won't be able to improve our technology"

The picture is not, however, one of unrelieved gloom. Despite its troubles in electronics, Zanussi has correctly pinpointed the market's growing appetite for higher quality products over the past few years. It has overhauled its production facilities since the late 1970s, securing itself a *comfortable niche in the higher* priced white goods market.

Nonetheless, this investment, came at a heavy price, contributing to Zanussi's debt of between L600bn and L1,000bn. This is one of the reasons why the group is currently looking for a new equity partner.

In the UK, where sales of imported appliances have grown like weeds, there are new signs of life among local companies. Hoover UK has recaptured some of its former glamour with its new Sensotronic range of vacuum cleaners. At the same time, TI Creda and Thorn-EMI are boosting their exports with new products aimed at the discerning Germans and French.

But across Europe many companies have failed to take note of the changes in the marketplace. "We are still making products for a world that doesn't exist anymore," says Mr Sven Gurt, product planning manager of Electrolux of Sweden. "Most of us are making appliances for the nuclear family with three or four children. These families are fast becoming the exception in Western countries. Society is undergoing a great change and we will have to adapt ourselves to that quickly if we are to succeed."

Mr Gurt points to the recent jump in sales of microwave ovens as an example. "We must make new, smaller appliances that are efficient and quick. In the past, we concentrated on big volumes and have been too conventional. Today, we must be sociologists."

If Europeans do not learn this lesson, Mr Gurt believes *that the Japanese are more than* capable of doing the job for them. With a reputation for producing high quality goods and a solid success in the microwave oven field under its belt Japan appears to be ready for the challenge.

So far, the Japanese have been too busy fulfilling domestic demand for white goods to bother about Europe. But executives at Japanese companies confirm that within two or three years the Japanese domestic appliance market will be close to saturation.

Mr John Bennigsen, director of marketing and sales of Toshiba consumer products in the UK, says: "Every time I go to Japan, I lick my lips over the prospects of bringing some of our products to Europe. I think it's fair to say we are seriously considering the European market."

Mr Bennigsen indicated, however, that Toshiba would most likely favour the establishment of manufacturing facilities in Europe, rather than pursue direct exports from Japan.

Considering the sector's financial weakness, the Japanese could very likely pick up European manufacturing facilities at attractive prices. "Every single major Japanese manufacturer is spending more time talking to European manufacturers," says Mr Bob Wash of Hitachi domestic appliances in the UK.

"Europe is hardening against imports and, at the same time, various European companies have extended the hand of friendship to Japan." AEG-Telefunken is believed to be among those in talks with Japan.

Mr Wash says the Japanese *are not too concerned about the* mature state of most of the market. "It's a world-wide consumer market, and has developed beautifully over the last few decades. It's just the management which has been bad."

Mr Tielens of Philips says the industry must protect itself both by co-operating on production and enlisting the aid of its distributors. "Is it wise to give your competitors your markets? The U.S. electronics industry killed itself by putting the distributors at the disposal *of the Japanese. The Japanese* weakness is not having a distribution system. This was given to them free of charge in the U.S.

"Let's exchange more products and fill our factories and restore some price leadership," he says. High-quality products will follow. "I'm not talking about making noble gestures, I'm talking about ensuring the continuity of the companies in this sector."

Others see the future of the industry in starker terms, feeling that any independent EEC-sponsored initiative is a non-starter. "The EEC is mesmerised by the problems of steel," says Prof G. B. Bozzola, a member of the executive committee at Zanussi. "Only those companies that help themselves by making the best quality product at the best price will survive."

Either way, every company in the sector faces harsh decisions, soon.

Men & Matters

Longman's old client

When Jing Shuping was a boy in China, at an English public school in Shanghai, his father had a book published by the London firm, Longman. That was in the 1920s.

All the family's copies were destroyed 40 years later during the cultural revolution. And that was also a taxing time for Jing Shuping. He spent two years hoeing vegetables as his "education from the peasants."

But you can't keep a good man down and Shuping has now resurfaced as executive director of the China International Trust and Investment Corporation (CITIC). And naturally he remembers Longman — now a subsidiary of the S. Pearson group which also *owns the FT*.

The upshot of this long link is that Julian Platt, aged 41, managing director of Longman's professional and business communications division, has pulled off a publishing coup in the face of strong competition from the Americans. He returned to London from China a few days ago with a contract in his pocket which will be worth several million pounds to his company over the next five years.

Longman is to publish a guide book on investment in China. It will set out to be by far the most reliable source of essential information on the investment infrastructure in China, its rules, and its regulations.

The guide will sell at about £25 and will carry selected advertising from companies wishing to develop in the Chinese market. Longman is sufficiently confident to have ordered a 10,000 first print run.

The introduction of Longman came through Lazards the mer*chant bank — another Pearson* business. Now Platt has his staff combing the archives for a copy of Shuping senior's long out-of-print work. Presentation of a copy to the son would, he feels, be a suitable mark of the restoration of publishing links after 60 years.

"Does that mean they could be exported to France as goats but sold as lamb?"

Money talks

No institution in Japan has quite the awe-inspiring aura of the Ministry of Finance. Elitist, incorruptible, self-confident, Mofmen *may not command the* highest salaries but they know all about real power and respect.

Shock waves have rippled through Tokyo, therefore, at the disclosure that a former senior Mofman has been hired to burnish the public image of another, distinctly less reputable, part of the Japanese financial community.

They are the sarakin (literally, salaried men's finance company) who have successfully taken a corner of the undeveloped Japanese consumer finance industry, and achieved notoriety for hteir sometimes less-than-polite methods of debt collection.

The sarakin have tried before to hire members of the financial establishment. But only last month, one such recruit, a former director of Sumitomo Bank, quit their ranks, complaining that the atmosphere there was not one to which he was accustomed.

Mof, however, looks after its own, even when, as in this case, the official retired from the Ministry 13 years ago. Mof, itself, negotiated with the sarakin association about his terms of employment, securing not *only a generous salary, but a* chauffered car, an office with a partition, and a secretary.

Caribbean cash

Professor Alistair Hennessy, chairman of the joint school of comparative American studies at Warwick University, relates the beginning of the Caribbean migration to Britain to the moment in the 1950s when London Transport started a big staff recruitment drive. About that time the good ship Windrush sailed from Barbados with a complement of families. It was marking the start of an era.

Hennessy estimates there are now about 1m Caribbean people living in Britain — although immigration has all but dried up, and there is a discernible return migration of those who favour the sunshine even above working for London Transport.

Warwick University is to have a special role studying the period, and future links across the Atlantic, with its new Centre for Caribbean Studies. Around £160,000 has been made available to fund it for at least three years—£80,000 from the university grants committee, £72,000 from the Leverhulme Trust, and £6,000 from the Nuffield Foundation.

Hennessy likens the arrival of the Caribbeans in Britain to a modern diaspora. He and his staff of a dozen researchers want to record and document as much as they can while the memories of migrants are still fresh.

The Dutch have also retained a strong interest in Caribbean matters although their presence there was never large. EEC funding will support collaboration between the staff of the centre at Warwick and five universities in Holland.

Virtue rewarded

Nearly 700 investors from most parts of the Arab world have received unexpected cheques to mark the fact they have been prompt payers. It follows the formal incorporation of a $500m Egyptian company.

The Gulf Arab Investment Company, is designed as a holding company to set up joint venture projects—half of them at least in Egypt.

The first venture will be financial—possibly a bank—and the second will be in industry.

At the first board meeting in Cairo of GAIC, the deputy chairman, Qassim Ahmed Fakhro, a millionaire businessman, pointed out that it had taken so long for all the shareholders to deposit their funds that the prompt payers among them had missed out on as *much as 15 months of interest*.

That, the meeting agreed, was not fair. So the interest accrued on each shareholder's contribution has been paid back.

Splash down

A colleague has just received an invitation to visit the Principality on the Mid-Wales Express leaving from Euston, London.

He has been promised that "visitors will travel to Mid Wales at 1,000 mph."

At that speed he should reach Shrewsbury in about 20 minutes and be in the middle of Cardigan Bay 10 minutes later—which is probably not what is intended.

Ideal site

The talk in a Leeds pub was about the news that Honda may open a factory in Britain: "Not much chance of it up here. South Wales will get it in the Honda Valley."

Observer

FOREIGN AFFAIRS

Between two Titans

By Ian Davidson

SNAP WESTERN comments on the new Soviet leadership this past week could scarcely be more diverse, or in some cases contradictory. Mr George Bush, U.S. Vice-President, came away from his meeting with Mr Konstantin Chernenko with a "certain sense of optimism." But Mrs Thatcher and some of her European counterparts have been taking a pretty cautious line.

Again, Mr Bush found the new General Secretary "active and . . . very vital." But other western visitors found him frail, and Dr David Owen instantly diagnosed emphysema. The French are predicting an early Soviet return to the nuclear weapons talks; Mr Bush would like to agree with them; but most western analysts are sceptical.

In short, you pays your money and you takes your pick. Realism suggests that caution is, for the time being, the wise approach, for it is too early to draw any hard and fast conclusions from the change-over from Andropov to Chernenko, unless the change-over represents no change, but merely a continuation of a pre-existing collective leadership. On the other hand, it is not too early to consider whether the obsessive concern, on both sides of the Atlantic, with the future course of East-West relations, may be less likely to lead to an improvement in those relations overall than to intensified friction between the U.S. and western Europe.

This is not to suggest that we should be unconcerned at the lamentable state of East-West relations nor seek improvements in them; quite the reverse. But the intensity of the current debate on this issue, amplified and distorted by the echoes from an anxious public opinion, is likely to highlight rather profound differences of appreciation and aspiration between the two halves of the Atlantic Alliance.

Once upon a time, about a dozen years ago, the West bathed in an illusion about détente. The Russians and their East European vassals were signing treaties with West Germany; they were signing major nuclear arms control agreements with the U.S.; and they were moving towards the signature of the first important agreement covering the whole of Europe, East and West, in the Helsinki Final Act of the Conference on Security and Co-operation in Europe.

The illusion lay not in the facts, which were real enough, but in the interpretation which was placed upon them. It was reasonable to see the European treaties as a reciprocal acceptance and public recognition of the *status quo* in Europe, including the division between East and West. It was reasonable to see the ABM and Salt I nuclear weapons treaties as a reciprocal acceptance by both super-powers of the principle of parity and nuclear stability.

Unfortunately, many people went much further than this. They hoped that the human rights basket in the Helsinki Final Act would lead to some liberalisation of the internal Soviet regime. They hoped the nuclear weapons treaties which were being signed, and the conventional force talks which were just starting, would lead to a slowing down, or even a reversal of the arms race. And they extrapolated from the European treaties the hope that a reduction of tension and the sanctification of the *status quo* in Europe would also lead to a decline in the Soviet Union's competitive trouble-making in the rest of the world.

Illusion was quickly followed by disillusion. The hope of internal liberalisation remained a chimera. The Soviet arms build-up continued on all fronts without even breaking step, provoking in its turn a new arms race on the American side. Moscow's restless and uninterrupted search for intervention opportunities in the Third World culminated, spectacularly, in the invasion of Afghanistan. Détente became a dirty word, and its chief architects, Richard Nixon and Henry Kissinger, objects of stigma in the new, right-wing Republican Party.

All this is tolerably familiar stuff. The trouble is that disillusion has not brought in its wake any consensus on a different and a better way of dealing with the Russians. This is largely because the Russians deliberately make it so difficult for other people to deal with them.

We in the West have by now almost stopped noticir.; their tedious and repetitious attacks on aggressive imperialism; but when their rhetoric is echoed right back at them by Ronald Reagan, they get very upset. They boast how peace-loving they are; but they acquire weapons like there was no tomorrow, and virtually their only instrument of foreign policy is the massive supply of weaponry to the trouble-spots of the world. On the basis of nuclear parity they demand respect as an equal super-power; yet they also claim the right to play the stability theme *with the left hand in Europe*, while playing the instability theme with the right everywhere else. It is not obvious how you establish a stable working relationship with a country which seems to want to have everything both ways.

Mr Chernenko greets Mr Bush in Moscow last week

These paradoxes and contradictions go some way to explain, and to mirror the differences in perceptions between the U.S. and Western Europe. The Europeans, with primarily regional preoccupations, perceive a condition of regional stability which, if precariously dependent on the maintenance of an armed alliance, has at least lasted for over 30 years. The Americans, believing they have global responsibilities, fear the insidious threat of Soviet expansionism on every front.

The double irony is that the Europeans face much greater real threats to their essential security than do the Americans, both on the central front (because it is closer) and in the Third World (because of their greater dependence on Middle East oil); but European governments treat these threats more calmly than the present U.S. Administration.

Impatient Americans accuse the Europeans of *being spineless* appeasers, and summon them to make bigger military efforts to meet both types of threat; Europeans retort that the first is being dealt with as well as democracy will allow, and that the second probably cannot be dealt with by military means—witness the debacle of the multi-national force in the Lebanon.

Since this disagreement is based on gut feelings, there is little prospect that it can be resolved by the deployment of reasonable argument. There is no chance that the Europeans will throw themselves wholeheartedly into a global military fight against Communism; so unless the Americans scale down their ambitions either to what they can plausibly undertake on their own, or to what the Europeans will actively support, there is every prospect of growing friction.

The puzzling thing about the long-drawn-out struggle between the two super-powers for global mastery over each other is that the images are so different from the historical reality. Each fears that the swirl of rhetoric and the deployment of ever-greater military force may herald some critical breakthrough by the other; the record suggests that each has suffered more from the counter-productive backlash of its own titanic efforts abroad than from any feat of cunning or military might by its rival. Let us say no more of Vietnam, Iran, Lebanon; but if the Soviet Union is such a threat, why is it so generally ill-considered *except* as a supplier of arms? The war in Afghanistan is much more costly to the Soviet Union, by every conceivable measure, than to the West.

But the root of the Euro-American disagreement on East-West relations lies in the realm of moralising, and centres on the notion of legitimacy. For Europeans, Russia is a distasteful and dangerous reality; it may be barbaric, but it has always been there; it is now very powerful in military terms and it has undeniable interests. For reasons of moral revulsion, by contrast, the Reagan administration comes close to denying not merely the legitimacy of the Soviet regime, but also any reasonable role for the Soviet Union in the international system.

In attenuated form, this attitude goes back a long way. In 1973, in the high noon of détente, Richard Nixon's administration went to great lengths, including a nuclear alert, to shut the Soviet Union out of any part in the Middle East war and its aftermath. That was partly Henry Kissinger acting out his fantasy of himself as the Lone Ranger. But today there emanates, from the Washington that gave us "the evil empire," a much more comprehensive refusal to acknowledge any shred of Soviet legitimacy. Only last month, in Stockholm, Mr George Shultz denied the legitimacy of the division of Europe negotiated at Yalta and sanctified in Helsinki.

The crucial question is whether, as an alternative to Wagnerian combat, the West can more fruitfully constrain and contain the Soviet Union's trouble-making ambitions by openly acknowledging its legitimate concerns. Last month, in a histrionic switch of tone, Ronald Reagan called for a constructive dialogue with Moscow. No doubt, for campaign purposes, he would dearly like a resumption of nuclear weapons negotiations. But if there is no acceptance, even at the most cynical level of state-craft, of Soviet legitimacy, what can the "dialogue" possibly be about? It would be a conversation without subject matter.

Mrs Thatcher was at one time regarded as the "Iron Lady" in Soviet demonology. She has now been persuaded, after the most intensive review of the options, that the Soviet Union has genuine national concerns of which account must be taken in the manoeuvres of international diplomacy, even in the Middle East. The Reagan Administration, by contrast, can scarcely bring itself to acknowledge, let alone respond to, the historic claims of Syria in the affairs of its neighbour Lebanon.

Ronald Reagan may not be re-elected. But if he is, the frictions between Europe and America on the right way to handle East-West relations may get much worse, because we can be sure that he will not change his gut feelings about the Soviet Union. For the moment his tone is more conciliatory, but this is, after all, election year.

Perhaps the Nato study of East-West relations will induce a rethink in Washington. If it does not, it is a racing certainty that the European countries will be forced to draw the unpalatable conclusion that there remains no alternative but a closer co-ordination between themselves on foreign and therefore security policy.

The notion of European defence co-operation is becoming an increasingly central theme in the foreign policy rhetoric of the French Government, with the support of the opposition parties, and it is meeting a warm response from the conservative Government in Bonn. It will be interesting, to say the least, to see whether the looming crisis in the European Community will make the case for closer politico-military co-operation seem more necessary or less possible.

Lombard

No true basis for policy

By Samuel Brittan

THERE HAS been a long search in many countries for a measure of the money supply which will bear a stable relation to the nominal national income and will be amenable to the instruments of official policy in a predictable way. The latest stage of this search has been the publication of *The Demand for Non-Interest Bearing Money in the UK* by R. B. Johnson. This is issued by the UK Treasury, and is supposed to provide the background to the introduction of targets for a very narrow measure of money, M0, consisting mostly of notes and coins, in the Budget on March 13.

The paper, which has been scrutinised by some pretty severe outside econometricians, is like most such work, an exercise in the fitting of equations to recent time series. It is not, however, an analysis of the problem of using any particular aggregate as a policy target; and it raises the question of whether such exercises are a suitable basis for policy.

The author indeed details at an early stage the breakdown of relations formerly thought stable between the nominal national income and wide measures of the money supply, which include all interest bearing deposits, such as the famous Sterling M3. He also reports failure to discover worthwhile relationships for non-interest bearing sight deposits—current accounts, in UK parlance.

By contrast he finds fairly stable relations between both M0 and notes and coins on their own, and a few specified variables. His basic finding is that the narrow aggregates "appear to be homogenous in transactions," as Mr Lawson will no doubt tell the pre-Budget Cabinet. This means that, other things being equal velocity is constant. But other things have not been equal and a velocity rise of 3 per cent per annum over the period is attributed to financial innovation. A further 2 per cent a year in velocity was accounted for by a trend rise in interest rates, which has since been reversed.

"Financial innovation" is measured by the growth of the proportion of the population holding bank accounts and building society share accounts. Who knows what will happen to this proportion in the future or whether there will be financial innovations of a different kind? Cash dispensers may well encourage people to hold more notes and coin.

The crucial finding for policy purposes is that a 1 per cent rise in nominal interest rates is associated with a 2 per cent fall in holdings of M0 or notes and coin.

What, however, is the economic *rationale* of trying to induce such changes in what used to be called "the small change of the banking system"? A shift from notes to bank deposits cannot even be a sensible intermediate aim of policy. The real object of monitoring M0 or notes and coin is to give signals for changes in interest rates, in the hope that such interest rate variations will keep total spending on an even keel without inflationary or deflationary lurches. If this object is achieved, it will not matter if the narrow money targets are still not hit; and if it is not achieved, no success in targetry will be any consolation.

The Chancellor and senior officials would deny that they are slaves to the econometrics. They would say that they would like to target all transaction balances, including chequeing accounts at building societies, but that the series which measures these—M2—has not been in existence long enough to draw conclusions, and that M0 is a substitute which happens to fit. It is in fact quite likely that both M0 and M2 will be targeted, together with up to two other measures of broad money, thus producing a plethora of signals all too likely to confuse.

The Chancellor really needs to explain his monetary strategy from first principles and explain it in such a way that it does not appear vulnerable to the first econometrician who tries to refute the Treasury findings and the one after that who tries to refute the refutation. This article is not an attack on sophisticated statistical research, but a plea not to place on it a weight which it cannot possibly bear.

Letters to the Editor

Life styles and Corn Laws

From Mr A. Tanniou

Sir,—I trust that Mr John Cherrington is teasing in his article of February 3 ("Time for another repeal of the Corn Laws").

If not, I would like to ask him who he thinks he is to redraw in such a sweeping generalisation the entire life pattern of the small farmers of north-western Europe, who incidentally contribute a great deal to the rich variety of life *styles* and cultures that make Europe such an interesting place, despite the general levelling and standardisation of modern life.

When, by a "repeal of the Corn Laws, 20th-century style," he has forced other European countries to "restructure their holdings into the same efficient pattern" as British farming (his words), where is he going to find the jobs that will keep the displaced "thousands forced off the land" with reasonable standards of living expected by western Europeans — legitimately, I think.

Not in industry, unless he also has the magic answer to the current unemployment problems which all our European countries face.

Why should a small farmer from western France, "inefficient" though he may be termed by Mr Cherrington, give up the idea of scraping a living on his 40 acres, to live instead in an industrial suburb on a low wage, or some form of subsidy or another, such as low rent housing or unemployment benefit?

If subsidy must exist (3m unemployed in UK, 2m in France, part of the difference between the two countries being merely subsidised in French agriculture — be if by CAP or national subsidies if CAP were scrapped), then I would rather be a subsidised small farmer on my own 40 acres in western France, than a subsidised, out-of-work industrial worker in a depressing suburb of Lille, Lyons, or worse, Glasgow or Liverpool . . . !

Both cost money to the Community, be *it* the EEC or their own national community, but it would be interesting to know which of the two costs more, and which of the two contributes more to the whole, to say nothing of the quality, of life!

Not everything in this modern world needs necessarily to be valued in statistical, dollars or Ecu terms.

What worked(?) in early Victorian Britain and helped fuel the industrial revolution is simply not an acceptable recipe *150 years later. We expect* more compassion and justice, rightly so.

André Yves Tanniou.
137, East 36th Street,
New York, NY 10016.

Gains in premium income

From the Group Pensions Executive, Allied Lyons.

Sir,—Eric Short's interesting article (February 13) concerning the life companies position in relation to the personal portable pensions debate overlooked a most important consideration. Most, if not all, of the largest pension funds are self-invested and apart from cover for some risk benefits (like death in service lump sums) do not provide the life companies with premium income.

If, therefore, market forces come into play leading the younger employees to opt for personal pensions then there will be a gain in premium income for the life companies. If, in turn, this leads to final pay schemes having to be discontinued (even though the older employees have opted to retain this type of cover) because of the financial imbalance created, then there would be a further acquisition of business for the life companies.

In such circumstances they could hardly be described as being in the best position to make a judgment as Eric Short infers. It also makes it difficult to understand the selection of the sub-committee members including two life company *chiefs and no practising pension* person.

M. H. Oldfield.
Denmark Street,
Bristol.

Copyright and computers

From Mr C. Dilloway

Sir,—It is quite correct that the copyright laws should ensure that authors enjoy the fruits of their labours. The courts also have seen fit for the writers of computer programs to have similar benefits. The ease and privacy in which individual copies may be made of a computer program have led to a search for ways in which copying can be made difficult. The combination of the law and the physical difficulty of copying do not, however, give authors very much protection against those who are intent on *stealing* someone else's program.

It seems that for every way of locking a program up in a computer there will be some way of finding the key and copying that program. To my regret the courts have been prepared to prevent those that have discovered the keys needed to copy particular computer programs from passing on their knowledge to others. In these cases plaintiffs have argued that the sole purpose of publishing the keys has been to enable a copyright infringement to take place and, therefore, that publication should be stopped.

Any copyright owner should be entitled to read the copyright work of others in order to see that his copyright is not infringed. Copyright is intended to benefit the community by permitting a wide dissemination of works of authorship. *Copyright is being abused if* the works it protects are kept secret and I do not believe that *the judges would have made the* interlocutory injunctions they have, had they realised the full implications of their decisions, technical and otherwise.

The new Federation Against Software Theft (FAST) needs the full support of the software industry if an environment is to be created in which program authors and distributors can be properly rewarded. There is a whole embryo industry here that like the video industry needs to curb piracy. But not, please, in a secret world of *computer programs where no-*one can find out what they are doing.

C. C. Dilloway.
Highcroft,
Gunhouse Lane,
Bowbridge,
Stroud, Glos.

Impact of price rises on numbers of phone calls

From Mr K. McKinlay,

Sir,—On February 6 you carried a very interesting letter by Dr Lewis J. Perl of National Economic Research Associates. He referred to my quotation of figures in America that showed the impact of price rises on the demand for telephone services.

My original figures—that 20 per cent of Americans could be forced off the telephone by price increases—quote figures produced by Dr Perl, and submitted as part of AT & T's defence against the anti-trust suit that led to AT & T's divestiture. *This was the (in America)* famous "Defendant's exhibit 4-1518" which demonstrated Dr Perl's independent assessment of the elasticity of demand for telephone services against price. Prior to AT & T's out-of-court settlement of the anti-trust suit, and its subsequent conversion to support for the cause of divestment, AT & T was keen to *demonstrate* that *divestiture* would force up charges, and equally keen to demonstrate the adverse impact this process would have, particularly on low income groups.

Although I recognise that the Perl study is now a source of some embarrassment to AT & T, we have no reason to assume that Dr Perl's independent study was carried out with any but the best of motives. In other words, we believe Dr Perl's study was a genuine and *accurate statement* of the elasticity of demand, so far as it can be measured, and as things stood at the time of publication of his study. After the out-of-court settlement, AT & T asked the U.S. Federal Communications Commission for dramatic local telephone charge increases and retained Dr Perl to "Put (his study) in proper *ITS context.*"

Dr Perl's subsequent further research referred to in his letter is still disturbing, both for America and as it might relate to the British scene. Although his more recent figures suggest a lower elasticity of demand, his forecasts still suggest a disturbing situation. He quotes telephone bill increases of the order of 10 to 20 dollars driving up to 8.5 per cent of subscribers off the phone. This is hardly an acceptable situation, given *society's increased* dependence on telecommunications.

We have every reason to believe that demand for telephones in the UK is more elastic than in the U.S.A. Elasticity is not simply a matter of income and price, social factors also play a part. In this country *we are less reliant on the tele*phone. We each make fewer telephone calls (the average Washington resident makes 15 calls every day on his home telephone), and the depth of penetration in Britain is lower.

Whatever the detailed figures, and my own are not perhaps so markedly different from Dr Perl's, the message seems clear. Rising prices result from liberalisation, and that deters existing subscribers. Fewer telephone customers will result *from the UK Government's tele*communications policy.

Kim McKinlay.
British Telecommunications
Campaign Committee,
UCW House,
Crescent Lane, SW4.

FINANCIAL TIMES

Monday February 20 1984

Terry Byland on Wall Street

Ma Bell bows out in style

LAST WEEK saw the exit from the U.S. stock market arena of the former American Telephone & Telegraph company, now fully replaced by stock in the new AT&T and in the seven regional operating companies created when the former telephone company was broken up to settle anti-trust objections by the U.S. Justice Department.

Wall Street saw old Ma Bell out in style on Wednesday when she gracefully occupied her traditional place at the head of the day's list of active stocks.

New York was not the original trading post for Ma Bell's brood. As in so many areas of the American heritage, Boston was to the fore when AT&T stock first opened for trading 84 years ago.

But Wall Street long ago became the dominant trading centre for the 966m shares in the old AT&T company, as it grew into its premier role as a virtually guaranteed payer of dividends to widows and orphans and all the other 3m or so stockholders.

Since November, Wall Street has been trading in the "new" AT&T stock and also in the stocks of the seven new regional operating companies (ROCs). Now, with the ROCs arranging listings in London, the UK investment professionals can take a hand in the game.

The new stocks – both AT&T and the ROCs – can be said to have outperformed the market, particularly since the turn of the year when the old AT&T stock commenced its withdrawal from the market.

AT&T and the ROCs

Stock	Price ($)	Change since Jan 4	Yield (%)
AT&T new	16⅞	−1	7.1
Ameritech	67¾	−1⅛	8.9
Bell Atlantic	72⅝	+3⅛	8.8
BellSouth	34	+4⅝	8.3
NYNEX	62⅝	−2⅝	9.7
Pac. Telesis	58	−1	9.3
Southwest Bell	60⅞	−3⅞	9.3
U.S. West	60⅝	+⅞	8.9

There have been modest falls in the new parent's stock and in a couple of the ROCs. But that corresponds with a period of wildly plunging prices for the market leaders, reflected in a fall of 6.6 per cent in the Standard & Poor's 500-stock index.

That comparison alone may not say a great deal. Most of the ROCs have come off from their best levels. Moreover, the AT&T stocks are not the only ones to have outperformed the market. But the trend of the newly formed AT&T stocks does indicate something of Wall Street's view of prospects.

The ROC stocks have settled down to trade around the yields available on utility stocks, although not at those on the various utility stock indices, because these are often distorted by inclusion of those energy utilities badly savaged by commitments to nuclear plant

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pute between AT&T and dis-
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over access charges. on

For that and other reaso
Mark Luftig, the noted A
watcher at Salomon Bros, cut
earnings forecasts for AT&T
this year to $1.80 a share, agai
the company's prediction of $2.02.

There is one other banana skin in the path of the would-be investor in the new telephone company stocks. Until last week, the stocks were traded only in a "when issued" form, which prohibited many trusts and similar institutions from participating.

The increased institutional interest might render vulnerable some of the higher yields on the ROCs. BellSouth and U.S. West, are likely to attract attention suggests Dr Luftig. BellSouth offers the highest earnings and dividend growth among the ROCs.

The prospect of some ROCs' being regarded as growth stocks would mean a change of rating on Wall Street. But at present, "good income stocks" is what AT&T can claim for its stock market rating.

NYNEX, which operates the telephone services in the apparently lucrative New York and New England states, has, however, been depressed because it faces a danger of "by-passing" threats by builders of office and residential buildings, *who plan to install their own internal telephone systems.*

U.S. SPACE FAILURE BOOSTS CONFIDENCE IN EUROPEAN ROCKET PROGRAMME

Ariane wins 27 satellite orders

BY DAVID MARSH IN PARIS

EUROPE'S Ariane space rocket programme, given a psychological boost by the failure of the U.S. space shuttle to put two satellites in *orbit this month, now has a* FFr 6.1bn ($740m) order book to launch 27 satellites over the next few years.

Arianespace, the commercial organisation set up to sell the rocket's services for satellite launches, has made conspicuous effort to avoid *public gloating over the space shuttle setback.* In view of Ariane's history of two crashes in seven lift-offs so far, Arianespace's official line is that at least the American failure will put an end to jokes about Ariane's performance and improve its credibility.

In private, however, European space officials are now plainly much more confident about competing with the U.S. One satellite marketing executive at a French space company says that, if the space shuttle has permanent problems with rocket systems to insert satellites into geostationary orbit, then organisations which have booked U.S. launches for the next few years may be forced to change to Ariane.

Gen Jacques Mitterrand, the former chairman of French state aero*space group Aerospatiale and a* leading figure in the European space industry, says the space shuttle problems "confirm what we have always said about the attractiveness of Ariane."

The three-stage European rocket can insert satellites directly into *geostationary transfer orbit 36,000* km above the earth. The space shuttle, which is built primarily for putting men and spacecraft into low-earth orbit 200 or 300 km up, needs an additional rocket system to boost satellites into geostationary orbit, which impedes its reliability.

Furthermore, the space shuttle, as a highly sophisticated re-usable and manned vehicle, is much more expensive. According to M Frederic d'Allest, the director general of the French national space agency *CNES, each shuttle launch costs* around $250m to $300m, compared with $40m to $50m for Ariane.

The U.S. space agency Nasa on the other hand says each shuttle launch in 1984 will cost $125m, about half the cost in the past because the shuttle is being launched *more often and more efficiently.*

Under its revised schedule for satellite launches, published at the weekend, Ariane is booked to make five flights carrying eight satellites this year. The next launch, carrying an Intelsat craft, has been set for March 5 following a long postponement caused by problems with the satellite.

Eight flights are due next year, planned to rise to 10 in 1987 after enlargement of the launch base at Kourou, French Guiana.

About 40 per cent of Arianespace's order book represents launches for customers ouside Europe. In the key U.S. market, the organisation is negotiating with about five or six communications companies to try to add to the orders it *has picked up so far from General* Telephone and Electronics.

Rise in oil imports pushes French deficit to FFr 5.47bn

BY DAVID MARSH IN PARIS

A SHARP jump in imports, especially of oil, helped push France's foreign trade deficit to FFr 5.47bn *($664m) last month on a seasonally* adjusted basis, the worst monthly figure since last May.

The New Year increase in the deficit, which follows several months of near-balance in the second half of last year, underlines the difficulties facing the Government's bid to achieve a permanent improvement in France's foreign trade performance.

A large part of January's deterioration, compared with a seasonally adjusted surplus of FFr 2m in December and a deficit of FFr 1.6bn in November, *was due to a sharp rise* in oil imports.

French oil companies, which ran down stocks towards the end of last year, started to rebuild them in January, partly because of worries about possible supply constraints stemming from mounting Middle East tension.

Oil imports last month came to FFr 13.8bn, about FFr 2.7bn more than the anticipated monthly average. Overall imports, seasonally adjusted, jumped to FFr 74.34bn, up *9.9 per cent from December and* 13.7 per cent from January last year. Exports rose to FFr 68.87bn, up 1.8 per cent from December and 23.4 per cent from January 1983.

The Government statistics institute Insee last week drew attention to a surge in imports during the fourth quarter last year owing to a recovery in domestic demand after six months of contraction caused by the Government's austerity programme. As a result, France's gross national product in 1983 grew 0.5 per cent compared with the 1982 av*erage, against earlier forecasts that* it would show a small decline.

The Foreign Trade Ministry, which announced the figures at the weekend after the European currency markets had closed, insisted that the January deficit remained consistent with the hoped-for return to foreign trade equilibrium for 1984 as a whole.

However, on the foreign exchanges where the franc has already come under some pressure against the D-Mark in recent days *following the fall in the dollar, the* figures may be interpreted as a new sign of divergence between the French and German economies.

Finance Ministry officials say that France is aware that the relative calm since the March 1983 European Monetary System realignment is not likely to last. But the Government, standing firm against any idea of a franc devaluation, will be putting the onus on the West Germans to revalue in the next currency shake-up.

The Finance Ministry also announced at the weekend that France's current account deficit last year shrank dramatically to FFr 29.1bn, FFr 3.6bn less than the initial estimate made last month, compared with FFr 79.3bn in 1982.

Details were also announced of the Government's first domestic bond *offering of 1984,* a FFr 12bn issue split into two portions, one for seven years at 12.9 per cent, the other for 12 years at a floating rate.

Italian textile jobs axed

By Anthony Moreton in Milan

ANICFIBRE, the textile arm of the Italian state-owned chemical concern Enichimica, has reached agreement with its trade unions to close production processes at Ottana in Sardinia and Pisticci in southern Italy with the loss of 1,000 jobs.

It is also having further talks with the unions which are expected to lead to the loss of another 2,300 jobs, most of them in the out-of-date Pisticci plant.

The agreements stem directly from the plan proposed by Viscount Etienne Davignon, vice-president of the European Commission reponsible for industrial affairs, in October, 1982, to reduce European textile capacity to meet the lower level of demand.

These closures will mean the end of polyester filament production at Ottana and both acrylic and polyester filament at Pisticci.

It is expected that the Ottana plant will close by the middle of the summer. It will take out 15,000 tonnes of capacity and lead to 659 people being displaced.

Some 340 have already gone from Pisticci, which means that Anicfibre's workforce is now down to 6,200. Of the 2,300 job losses still being sought, just over half will come from Pisticci.

Sig Domenico Palmieri, chairman of Anicfibre, said the talks with the unions were progressing "satisfactorily" and he did not expect any difficulties about achieving the targets.

"The closures at the two plants are both in areas where there is a high level of unemployment," he said. "But there is a new climate in state industry and everyone has become more profit conscious."

Under the Davignon agreement, Anicfibre was given a target cut of 50,000 tonnes. It has already taken 35,000 tonnes out of commission and the rest will come from Pisticci.

The Italian industry, which also includes Montefibre and Snia Fibre, has been severely criticised by the other parties to the Davignon agreement – Bayer, Courtaulds, Enka, Hoechst, ICI and Rhône Poulenc – for dragging its feet over plant closures. It was considered important that Italy should contribute to the European producer of fibres in Europe after West Germany.

The three companies have, however, had difficulties in negotiating plant closures because the Government, for political reasons, has been unwilling to permit job losses *in areas alrady considered to be* economically deprived.

It now appears that the three Italian companies have gone a long way towards meeting their obligations to Davignon and are confident of doing so by the target date of the end of 1985.

But Sig Guiseppe Tramontana, chairman of the textile side of Aschimici, the national chemical organisation, as well as manging director of Montefibre, believes the cuts are still not enough to make the Italian industry efficient on world markets.

UK split on Vredeling plans

BY JOHN LLOYD IN LONDON

THE European Commission's draft legislation on industrial democracy is to come under the scrutiny of both sides of British industry this week and is expected to run into opposition from the employers' side.

The supreme councils of the Confederation of British Industry (CBI), representing the employers, and the Labour Party and Trades Union Congress (TUC) are to debate the proposals on Wednesday.

In a remarkable political switch, business – and the Government – are expected to voice fierce opposition to the Commission, while Labour and the unions pledge support.

Such support is partly based on tactical considerations within the Labour party on how best to fight the EEC election campaign in May. The opposition of the CBI and the Government reflects the conviction that statutory provisions for workers' rights will impede efficient management.

Both the CBI and the TUC's response to the draft proposals will be submitted to the Government before the end of this month – the limit within which reactions to the proposals, known as the Vredeling and the Fifth Directives, must be presented.

The Labour Party will not submit its statement, but will instead use it as a central theme in the election campaign. The statement will be designed both to accuse the Government of being against workers' rights, and to swing the party's own policy gently towards support for EEC membership without having to face a bitter internal debate

The draft statement, to be debated by the national executive committee, says that "the Government is hostile to both directives and has deliberately prejudged the issues in their consultative documents."

It says that the party shares the "assumption underlying the draft directives... that proper account must be taken at an early stage in the decision-making process of the interests and views of workers."

Employers' hostility to the directives, says the draft, is based on their "desire to retain as much of their traditional prerogatives as possible – and to restrict the extent to which these can be questioned by their employers."

It says that the promotion of responsible wage bargaining and the extension of joint negotiation "will require the removal of the monopoly power of the employer to determine the scope of negotiation and *disclosure of information to work*ers' representatives. That is why the Labour Party, in contrast to the Government, strongly supports the EEC proposals."

UK funds hedge dollar holdings

Continued from Page 1

Prudential Assurance of the UK said there was little doubt that "there has been a perceptible increase in dollar hedging" over the past month. The Prudential is among those institutions which have reduced their exposure.

Courtauld's, the textiles group, said it had substantially increased its level of currency protection in the past fortnight.

Forward dollar sales, both against sterling and other foreign rrencies, would allow the fund to in profits from its relatively proportion of U.S. assets.

er funds are taking steps to th that they do not increase an posure in the U.S. currency into diverting new investments and continental Europe, particularly West Germany and the Netherlands.

Although there are no significant signs of a flight of British capital from the U.S., one large pension *fund has sold large quantities of* dollars in recent weeks, which in turn contributed to the U.S. currency's decline.

The fund, which does not wish to be named, sold the dollars on the basis of large-scale options contracts taken out with several banks in December. *It made substantial* profits on the deal.

Working against any major shift in portfolio assets, however, is a perception among fund managers that it is far from certain that the long-predicted fall in the dollar has actually started.

Several institutions made losses in 1983 by hedging against a dollar fall, only to find that the currency went on climbing.

A spokesman for the Prudential said that it was impossible to predict whether or not a long-term fall in the dollar's value had begun.

"We would not be surprised but we are not forecasting it," he said, adding that the experience of last year was that a temporary disaffection *could quickly be followed by* further gains.

Many fund managers also agree that there are useful profits to be made in the U.S. equities market as economic recovery continues strongly, while the U.S. bond market remains attractive.

Ira accused of shelling cit Abadan

Continu om Page 1

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gressor will continue strong
final victory." itl

More than 4,000 troops claimed to ave been killed in the latest Iranian offensive, which Tehran radio says has brought the main road from Badra to Tib, parallel to the international border, under the control of the advancing forces.

Officials in Washington have said they believed up to 500,000 troops had been massed by Iran and Iraq along a 100-mile stretch of the battlefront.

They were also convinced that President Saddam Hussein of Syria was prepared sanction attacks on Iranian oil facilities, if Iraq suffered further heavy casualties.

World Weather

		°C	°F			°C	°F
Ajaccio	F	10	50	Dubrovnik	R	6	43
Akrotiri	S	19	66	Faro	C	18	64
Algiers	C	13	55	Florence	S	7	45
Amsterdam	S	-1	30	Frankfurt	S	0	32
Athens	S	13	55	Funchal	S	18	64
Bahrain	S	21	70	Geneva	S	0	32
Bangkok	S	32	90	Gibraltar	—	—	—
Barcelona	S	13	55	Guernsey	S	4	39
Beirut	—	—	—	Helsinki	S	-8	18
Belgrade	C	0	32	H. Kong	C	15	59
Berlin	S	-1	30	Innsbruck	S	-2	28
Biarritz	C	9	48	Inverness	F	6	43
Blackpool	S	2	36	Istanbul	R	7	45
Bordeaux	F	5	41	Jersey	S	4	39
Brussels	S	-1	30	Jo'burg	C	27	81
Budapest	F	2	36	Las Palmas	F	20	68
B. Aires	R	30	86	Lima	S	26	79
Cairo	S	21	70	Lisbon	S	14	57
Cape Town	S	25	77	Locarno	S	3	37
Caracas	C	28	82	London	S	3	37
Casablanca	—	—	—	Los Angeles	S	9	48
Copenhagen	S	1	34	Luxembourg	S	-2	28
Corfu	F	9	48	Madrid	F	12	54
Dublin	C	4	39	Majorca	C	14	57

		°C	°F			°C	°F
Malaga	C	16	61	Salzburg	F	-4	25
Malta	S	14	57	Seoul	S	1	34
Manila	S	30	86	Singapore	R	29	84
Miami	S	26	79	Stockholm	S	-1	30
Milan	S	5	41	Strasbourg	S	-2	28
Moscow	C	-3	27	Sydney	—	—	—
Munich	S	-4	25	Taipei	S	12	54
Nairobi	S	30	86	Tangier	C	13	55
Naples	[illegible]	[illegible]	[illegible]	Tehran	—	—	—
New Delhi	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	20	68
New York	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	19	66
Nice	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	8	43
Oporto	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	4	39
Oslo	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	13	55
Paris	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	15	59
Prague	[illegible]	[illegible]	[illegible]	Venice	—	—	—
Reykjavik	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	-7	28
Rio de J'o	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	-5	23
Rome	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	-3	27

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

THE LEX COLUMN

Redesigning the share stamp

The Stock Exchange has been arguing for a reduction in stamp duty on share transactions for as long as anyone can remember and its pre-Budget submissions on the subject are as regular a feature of the investment year as the exchange's annual cricket match with the Bank of England. Last week it duly produced a document stating the case for a reduction in duty from the present 2 per cent to 0.5 per cent.

Until now its submissions have been quietly filed and forgotten. The Treasury has always won, the stamp-duty contest hands down. This year, however, the exchange's case has far more muscle and the general betting within the market is that some relief will be granted by the Chancellor next month.

The move towards negotiated commissions has, so the exchange argues, signalled the willingess of *its members to encourage a reduc*tion in the overall cost of equity transactions on the London market. Their motives may not be exactly philanthropic, but the effect of abolishing fixed commissions will probably be to leave stamp duty as far and away the highest single trans*action cost, particularly on large in*stitutional bargains.

The cost of share dealing is higher in London than on any important foreign market and this differential, the exchange maintains, is a considerable handicap at a time when securities markets are becoming more international. The anomaly has been highlighted by the growth of dealing in UK securities on the New York market.

Stamp duty is payable at a concessionary 1 per cent rate when UK equities are, in effect, imported by an American broker. Thereafter, the shares trade free of stamp in ADR form. The exchange is concerned that this fiscal distortion will drive the market in blue-chip shares away from London.

Share ownership

These arguments carry considerably more weight than the traditional Stock Exchange plea that stamp duty acts as a disincentive to private share ownership. The decline in personal shareholdings is well documented but it is unlikely *that stamp duty has been the key* factor.

Many stockbroking firms have concluded that the commission income from private client transactions cannot justify the administrative cost and have therefore done nothing to promote wider share ownership themselves. Moreover, it can be argued that the Stock Exchange's own refusal to countenance corporate membership has prevented the development of firms large enough to support the kind of retail networks common in the U.S.

Stamp duty may restrain the growth in share volume but, as an ad valorem tax, it does not discriminate against smaller bargains as do, for example, fixed commissions. A far more powerful disincentive to private share ownership has been the multitude of tax concessions in favour of institutional shareholders, which have effectively placed the private individual at a disadvantage.

Equipped with such a fragile case, the exchange never made much impact on the Treasury or the Inland Revenue. To them, stamp duty has the great virtue of being simple to administer and cheap to collect. It also makes a handsome contribution to the Exchequer's finances. Since 1978, receipts from stamp duty on shares have been overtaken by the duty on property but they will still chip in something like £400m in the present fiscal year.

The Treasury has shown some flexibility in the past. In 1976, it extended the stamp duty exemption on gilt-edged stock to other fixed-interest securities in an effort to encourage the rebirth of a corporate bond market. But the potential revenue loss, together with the prospect of uproar in the House of Commons, which would result from any more substantial measure, have recently stayed its hand.

The Stock Exchange's argument that a cut in stamp duty would generate sufficient extra volume to make the revenue loss substantially smaller than it appears on paper has never convinced the Government. True, volume fell off considerably when stamp duty was doubled as a last-minute budgetary expedient in 1974, but that manoeuvre coincided with the onset of a bear market.

From the exchange's point of view, a better analogy lies in New York, where transaction taxes were abolished in 1981 following pleading by Wall Street brokerage houses that the fiscal burden – albeit small *– was driving business towards Bos*ton and other U.S. exchanges. The risk that trading would gravitate away from New York was certainly smaller than some houses argued, but the London Stock Exchange none the less has a respectable case.

The volume of trading in Glaxo was probably greater in New York during the first half of last year than it was in London and the same may have been true for ICI during the second six months. The danger of market fragmentation, resulting at least partly from the stamp duty anomaly, is genuine.

Transaction cost

With stamp duty at its present level, the exchange calculates, a halving in commission costs on a £1m share transaction would reduce the overall transaction cost to the client by only 8.2 per cent. For a £50,000 bargain, the reduction would be 13.9 per cent. London's costs would, even with negotiated commissions, remain significantly higher than those of competing markets. The exchange reckons, for example, that the overall cost of buying shares worth £500,000 in London is £12,317 compared with around £4,000 in Tokyo and £2,000 in New York.

There is a solid case to be made for overhauling the stamp duty structure. The entitlement to con*cessionary overseas rates* is too loosely defined, while, for example, a glaring loophole enables a bidder to mitigate stamp duty liabilities significantly during a takeover. Eventually, the development of electronic execution practices *may make the whole documentary basis* of stamp duty obsolete.

Significantly, the Stock Exchange has not argued either for abolition of the duty or for wholesale reform. It has good reason not to. Since designated jobbers are exempt from duty, the present tax structure effectively inhibits outsiders wishing to make markets in equities from doing so on an equal basis.

Given the penalties currently being sustained by the London market, the Chancellor has every reason to announce his agreement in principle that stamp duties on share transactions should be halved – so bringing them into line with the overseas rate. But he would be perfectly justified in linking that announcement with an investigation into existing loopholes and with a study of the discretionary basis on which market makers are *currently granted exemptions.* Finally, as an incentive to dismantle fixed commissions without undue delay, the actual reduction in stamp duty could be timed to coincide with the day on which negotiated commissions on equity bargains are introduced.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Monday February 20 1984

EUROBONDS

Floating rate market pauses for breath

BY MARY ANN SIEGHART

THE Eurodollar floating rate note market paused for breath last week. Having overreached itself the week before, when $2bn worth of issues were launched, there are now more signs of nerves than bravado.

People are starting to realise that the current liquidity in the market will not necessarily last for ever. In a bull market where demand is greater than supply and spreads are narrowing, it is easy to offload huge chunks of a floater without moving the market price. But the question the markets are now asking is, what happens if everyone starts to sell?

This is by no means inconceivable. Dealers have noticed an increasing trend for investors to become traders of floating rate notes (FRNs). In particular, Japanese banks, which used to buy floaters to keep for their yield, are now, at least in part, buying them speculatively in the hope of making a few cents if prices rise further.

But if prices start to fall, as they must do after the euphoria has worn off, trading these notes may no longer be so profitable and a wave of selling may result.

Furthermore, a lot of the recent buying has apparently come from second-tier Japanese banks. To persuade the Japanese Ministry of Finance that they are moving into the big league, many are piling into floaters to build up their balance sheets ahead of the end of their financial year on March 31.

Much of the borrowing done to finance these purchases of FRNs has been on a short-term – one or two-month – basis. When the time comes to roll over the funding, the banks may feel that they no longer need all those floaters. Some dealers are worried that April might well see more selling.

There was a bout of nerves in the floater market early last week and prices eased off a little. But they stabilised again by Wednesday, enabling two new issues to be launched later in the week.

For relatively good names, the demand is evidently still there. Midland Bank, for instance, launched a $200m floater on Friday paying just ⅛ point over the mean of the six-month London interbank bid and offered rates for 15 years.

With total fees of ¾ point, the all-in cost on a straight-line basis is a mere 0.11 per cent over Libor. As an indication of how the market has moved, Midland's first floater in 1975 cost it nearly 0.60 per cent over Libor.

Despite these terms, Friday's issue was well received, trading at a 0.48 per cent discount. It was probably helped by a promise from lead manager Samuel Montagu that the issue amount would not be increased.

BHF Bank bond average		
Feb 17		Previous
99.297		99.261
High	1983-84	Low
102.017		97.699

The fixed-rate market is still looking very fragile. Issues from Shearson/American Express and Denmark sold slowly – possibly because in both cases, interest rate swaps connected with the bonds dictated tight terms.

Earlier in the week, International Standard Electric Corporation (Isec), the financing arm of ITT, also raised money on cheap terms.

It issued a straight bond and a zero coupon bond at the same time, with repayments on the straight bond amortised over the bond's life. This combination gave Isec an all-in cost of much less than it would have had to pay on a plain fixed-rate bond of the same maturity.

But the demand for zero-coupon bonds is at best patchy and seems to be concentrated at the short and long ends of the maturity scale. This issue, at 13 years, fell right in the middle.

INTERNATIONAL CREDITS

Argentina seeks delay

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA finally came out in the open last Friday with a request to its bank creditors for a further delay in repaying $350m due on the $1.1bn bridging loan, agreed last year.

The money should have been paid last Wednesday, but Sr Bernardo Grinspun, the Economy Minister, is now asking banks to wait until April 21 in a clear acknowledgement that much work remains to be done on other aspects of the country's $43.6bn debt.

In particular, the minister said talks were to continue with the advisory committee of leading creditor banks about the $1.5bn medium-term loan negotiated by the former military regime. Only $500m of the loan has been disbursed and Argentina wants the rest to remain available.

For their part, the banks know that Argentina needs the money. By withholding the balance of last year's loan, they would simply be adding to the amount of new money Argentina will require later this year. But they are also anxious not to make circumstances too easy for the country while its negotiations with the International Monetary Fund are still in progress.

Much the same applies to government creditors, who will be asked to reschedule official debts through the so-called Paris Club. There is little chance of a Paris Club agreement before an IMF programme is in place. The talks between Argentina and the Fund thus hold the key to progress on debt – and they, according to one senior European official last week, "are difficult."

Sr Grinspun did, however, hold out one crumb of comfort to banks in his telex to them last week. He said Argentina was prepared to pay off arrears on trade credits provided they were "linked to the reopening of new trade lines in equivalent amounts on behalf of new or existing clients."

ASIAN-PACIFIC LOAN MARKET

Renewed signs of life

BY DAVID LASCELLES IN SINGAPORE

THE ASIAN-PACIFIC loan market, which has been in the doldrums because of the recession in the region and the debt problems of the Philippines, is showing some signs of life, much to the relief of bankers in Singapore.

"We are positively gasping for business", said one.

Details are beginning to emerge of the long-awaited financing package that Broken Hill Pty (BHP) of Australia is putting together for its proposed acquisition of the Queensland coal properties from Utah International of the U.S.

It will take the form of a syndicated loan totalling about U.S. $850m, managed, as already reported, by NatWest and Bank of Tokyo. The syndication group will consist of about 30 Japanese, U.S. and European banks. Full terms of the loan will not be announced for a week or so.

The sum is a sharp reduction on the $1.2bn that BHP was originally seeking, while the form of the financing has been changed from the package of loans, commercial paper and floating rate notes previously envisaged. Bankers decline to say why the plan was changed, although BHP is also reported to be arranging other financing for later this spring.

The current highly successful loan for Indonesia, which was increased from $500m to $600m, has also rekindled interest in the sovereign lending market.

Next in line is likely to be Thailand, whose borrowing needs are modest this year but which appears to be taking advantage of the shortage of good names in the market to raise some cash.

Bankers have been putting in their bids for up to $100m of floating rate notes. Thailand indicated last week that it wanted a maximum all-in cost, including fees, of ⅛ per cent over Libor.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Sankyo Seiki §‡	40	1991	7	3⅜	100	Nikko Secs.	3.375
Sumitomo Heavy Inds. ¶ × ‡	40	1989	5	6¼	100	Daiwa Eur., Sumitomo Fin. Intl., SG Warburg	6.250
Nippon Oil §	50	1999	15	3½	100	Yamaichi Intl., Robt. Fleming, Mitsui Fin., Nomura Intl.	*
Toyo Engineering ¶	30	1989	5	6½	100	Yamaichi Intl., Baring Bros., Dresdner Bk., Nomura Intl.	*
ISEC ‡	75	1996	7.8	12	100	Mgn. Guaranty, Lazard Freres, Lehman Bros., SBCI	12.000
ISEC ‡	112	1997	13	0	25	As above.	11.250
Gulf & Western Inds. ‡	100	1989	5	12⅛	100	Kidder Peabody, UBS Secs.	12.125
CKO Bank †(a)‡	50	1992	8	⅛	100	Man. Hanover, London & Continental Bk.	–
Denmark ‡	100	1991	7	12	100	Lehman Bros.	12.000
Shearson/AmEx ‡	100	1994	10	12⅛	100	Salomon Bros., Shearson/AmEx Intl.	12.125
Midland Bank †(a)‡	200	1999	15	⅛	100	Samuel Montagu	–
AUSTRALIAN DOLLARS							
Nat. Australia Bank ‡	40	1989	5	12½	100	CSFB, Orion Royal Bank	12.500
D-MARKS							
Mitsubishi Heavy Inds. ¶±‡	300	1989	5	3½	100	Deutsche Bank	3.500
EIB ‡	250	1994	10	8	100	Deutsche Bank	8.000
Sterling Drug ‡	250	1994	10	7¼	100	Commerzbank	7.250
SWISS FRANCS							
Kyushu Elec. Power ‡	100	1992	–	5⅝	100	SBC	5.625
Sanoike Mfg. **§‡	60	1989	–	1¾	100	Handelsbank	1.750
Nippon Chemi-Con **§‡	50	1989	–	1¾	100	SBC	1.750
Atsugi Motor Parts **§‡	35	1989	–	1⅞	100	UBS	1.875
Settsu Paper Bd. §‡	50	1992	–	2¼	100	Bk. Hofmann	2.250
SWISS FRANCS							
Settsu Paper Bd. **§‡	30	1989	–	2	100	CS	2.000
British Land Intl. ‡	100○	1996	–	6¾	99½	Soditic, Gutzwiller Kurz Bungener	6.812
EIB ‡	100	1996	–	6	100	SBC	6.000
Thai Hsing Bank **‡	60	1991	–	6½	99	SBC	6.684
Ichikoh Inds. **‡	20	1989	–	5⅞	100	SBC	5.875
Austr. & NZ Bank **	50	1989	–	5⅜	100	SBC	5.375
World Bank **‡	150	1987	–	5¼	100	UBS	5.250
World Bank **‡	150	1990	–	6	100	UBS	6.000
Toyo Engineering **§	50	1989	–	2	100	UBS	*
Nippon Oil §	100	1992	–	2⅛	100	CS	*
Nippon Oil **§	100	1989	–	2	100	CS	*
Yokogawa Hokushin Elec. **¶	80	1990	–	3¾	100	CS	*
Citizen Watch **§	50	1989	–	1⅞	100	Bank Julius Baer	*
BELGIAN FRANCS							
EIB	3.5bn	1991	7	11¾	*	Soc. Gen. de Bque., BBL, Kredietbank Intl.	*
GUILDERS							
World Bank ‡	300	1994	8	8¾	100	ABN	8.750
Amro Bank **‡	200	1989	5	8	100	Amro Bank	8.000
LUX. FRANCS							
Euratom **‡	250	1991	7	11	100	Kredietbank Lux.	11.000
ECUs							
Denmark ‡	75	1991	7	10¾	100	Kredietbank Lux.	10.750
EIB ±	100	1994	8.4	10⅝	*	BBL	*
Royal Bk. of Canada ‡	75	1989	5	10½	100¼	Orion Royal, BBL, Kredietbank Intl, Soc. Gen. de Bque.	10.433

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note: coupon is spread over 6-month Libor. (a) Spread over mean of 6-month bid and offered rate. ¶ With warrants. ± Increased. × Reduced. ¢ Minimum.
Note: Yields are calculated on AIBD basis.

US BONDS

Mounting fears that Fed will tighten monetary policy

BOND PRICES took a further tumble last week amid mounting concern and nervousness about the pace of economic activity in the 1984 first quarter, steadily rising short-term U.S. interest rates, and a growing conviction that the Federal Reserve Board's next move may be to tighten monetary policy.

The market's pessimistic mood developed steadily throughout the trading week. A stream of economic data—including strong gains in January retail sales, industrial production, personal income, and housing stats—showed an unexpectedly strong pace of economic growth and thus undercut the widespread earlier belief that economic activity was decelerating significantly.

The market's concerns were summed up by Dr Henry Kaufman, Salomon Brothers' chief economist, who noted in his latest comments on Credit that "the economy is clearly moving closer to its optimal utilisation rate beyond which further real growth would inevitably cause wage and price pressures."

On Friday these concerns bubbled over into a wave of rumours that the Fed was about to raise the discount rate from its current 8.5 per cent level. The rumours subsided only after Mr Preston Martin, the Fed vice-chairman said he did not think the January economic data alone justified a change in monetary policy.

While the consensus view is probably that the Fed will indeed attempt to maintain its current monetary stance for as long as possible and try to avoid any sharp change in policy, there is a growing feeling that if the February economic figures reinforce those in January, the Fed may be forced to act, if only to maintain its anti-inflation credibility.

Last week's $2.5bn increase in M1, the first in a new series published on Thursday afternoons as part of the Fed's move to contemporaneous reserve accounting, reinforced the market's nervousness. Although the markets are aware that the M1 number still carries less than full weight with the Fed, they are also aware that M1 has regained the status of a targeted aggregate. Currently it is close to the top end of its range.

Even ahead of any move by the Fed, the credit and money markets have already begun to discount a possible firming and it was this readjustment last week which pushed up short-term rates in the money markets and depressed bond prices.

In the money markets, Fed funds traded between 9½ per cent and 9⅝ per cent, while most other short-term rates rose by between 5 and 25 basis points with the six month and one-year instruments showing the biggest yield gains.

Government bond prices declined by between ⅜ and ⅝ point, with the Treasury long bond closing ⅜ point lower at 99⅜ to yield 12.01 per cent—the first time since mid-December that the issue has sunk below par.

In the corporate markets seasoned issues prices fell by between ⅛ and ⅜ point while new issue yields were around 13 basis points higher in a very lean market.

Among the new corporate issues, Republic Health sold $100m of 13.5 per cent 20-year bonds priced to yield 15.04 per cent, while Philadelphia Electric sold $150m of 14½ per cent 25-year debentures at par.

When trading resumes tomorrow, after another extended holiday week end, the markets will be facing up to the Treasury auction of $8.5bn of two-year notes on Wednesday, together with another batch of economic statistics including January durable goods orders on the same day and the January consumer price index on Friday.

Paul Taylor

U.S. INTEREST RATES (%)

	Week to Feb 17	Week to Feb 10
Fed funds weekly average	9.53	9.58
3-month CDs	9.55	9.50
3-month T-bills	9.11	9.04
30-year Treasury bond	11.93	11.81
AAA Utility	12.75	12.58
AA Industrial	12.62	12.63

Source: Salomon Bros (estimates).

In this week ended February 6 M1 rose by $2.5bn to $532.9bn.

Ford and RCA forced to sell Brazilian chip venture

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE EXCLUSION of foreign-owned companies from Brazil's fast-growing data processing industry came another step closer last week with the sale by the local subsidiaries of Ford and RCA of the U.S. of their semiconductor manufacturing concern in Brazil.

Philco Radio e Televisao, a wholly owned subsidiary of Ford Motor Company, and RCA Eletronica, a Bazilian division of RCA International, were forced to sell their brand new, joint venture—the only plant of its kind in Latin America—at a heavy loss, after the Brazilian Government refused them permission to make digital semiconductors, a sector reserved for nationally owned concerns.

Philco Semiconductors, which is located in Minas Gerais state, was finally sold, after protracted negotiations with other interested purchasers, to a leading Brazilian manufacturer of household electrical and stereo equipment, Sharp S.A. Equipamentos Eletronicos, for $9m.

Sharp is the Sao Paulo-based holding company for the non-financial interest of Sr Matias Machilene, a Brazilian entrepreneur. It is the agent for the Japanese Sharp group but is wholly Brazilian owned.

"Eighteen months ago we saw we had no future in this sector because of the government's market reserve," Philco said on Friday. It was decided to suspend production at the $30m plant and to seek a local take-over.

Brazil is the only country in which Ford has retained its former consumer products subsidiary, which trades under the Philco name. In Brazil, the domestic division has been losing money, though this has been compensated for by a very profitable line in exports.

The threatened closure of the semiconductor plant—in which Philco Radio an dTelevisao had a 51 per cent holding and RCA Electronica 49 per cent—would have been a serious blow to the Brazilian computer industry.

Sale negotiations were complicated by the lack of legislation in Brazil governing the micro-electronics industry. Rulings are made on an ad hoc basis by the powerful Secretaria Especial de Informatica, SEI, the federal government's supervisory body for the computer and data processing industries.

But the statement by the SEI a week ago that the government would guarantee a market reserve for the digital circuits produced by the Philco plant was apparently sufficient to convince Sharp to renew its earlier bid, and thus conclude the purchase.

● Companhia do Jari, the loss-making former Amazon "kingdom" of Mr Daniel Ludwig, the U.S. billionaire, which was sold to a consortium of Brazilian state and private interests two years ago, has received a capital injection of US$280m.

Most of the new capital is in the form of an equity participation by BNDES, the state development bank, which is taking an 18.4 per cent stake in Cia. Florestal Monte Dourado, Jari's cellulose-producing subsidiary. BNDES is putting up $184m, with the other shareholders contributing the balance. The project's total capital now stands at $1bn.

Sr Edmundo Barbosa da Silva, president of the Jari company, said that with these new resources the project would be able to "recover its breath." Jari has continued to struggle under its Brazilian owners, reaching only 40 per cent of its sales goals in 1982 and 1983.

The BNDES capital injection represents the conversion into equity of loans the bank had guaranteed. The state-owned Banco do Brasil also has a 23.6 per cent holding in the massive agricultural and mining venture, located on the north bank of the Amazon river in Amapa state.

Job losses at Swiss watch group

By John Wicks in Zurich

A TOTAL of 880 jobs may be lost at Asuag/SSIH, Switzerland's largest watch group, as part of a further rationalisation programme.

The company, recently formed by the merger of the loss-making Asuag and SSIH concerns, intends to give up production of watch movement by the Omega plant in Bienne and the Longines works in St. Imier. According to trade union leaders, this will lead to the loss of 500 and 380 jobs, respectively.

The company said over the weekend that these measures should "affect employment" but has not confirmed the union figures. By ending production at the two factories and supplying the two watch brands with movements from the group's Ebauches subsidiary, the company says it can improve the international competitive ability of Omega and Longines watches in the face of sharp price falls.

Asuag/SSIH, the world's second biggest watch group after Seiko of Japan, last year received a new injection of SwFr 660m (U.S.$300m) of bank aid but is again forecasting "substantial" losses in respect of 1983.

Dubai Bank bails out Singapore group

BY CHRIS SHERWELL IN SINGAPORE

UNCERTAINTY OVER the development of two prime commercial properties in Singapore's Orchard Road shopping district appears to have been dispelled with the purchase of an investment company controlled by a financially troubled Dubai entrepreneur. The purchaser is Dubai Bank, a subsidiary of Galadari Brothers, a Dubai-based international trading concern owned by Abdul Latif Galadari and Abdul Rahim Galadari.

Dubai Bank has bought all the shares of the investment company—controlled by the two men's brother, Abdul Wahab, and known as A. W. Galadari Investments (Singapore)—for close to U.S.$120m in cash.

Speculation arose over the Singapore projects when Union Bank of the Middle East, also controlled by Abdul Wahab Galadari, had to be rescued by the United Arab Emirates government late last year. The bank had been financing developments by A. W. Galadari Holdings of Dubai.

Until the Dubai Bank's purchase of the Singapore company's shares and agreement to take over its loans, there were fears that its assets would be taken over as part of the rescue of Union Bank of the Middle East.

HK groups to issue paper

TWO Hong Kong companies, Jardine, Matheson, and China Light and Power, are to issue short-term commercial paper totalling up to HK$550m (US$70.5m). The government has authorised issues of HK$300m by Jardines, and HK$250m by China Light. Permission is needed because Hong Kong law regards commercial paper issues as a form of deposit-taking, an activity only usually allowed to registered credit institutions. Robert Cottrell reports from Hong Kong.

Hong Kong's commercial paper market has been pioneered over the past year by the government-owned Mass Transit Railway Corporation, the only major local issuer so far. The government is thought to be considering legislative amendments smoothing the way for more corporate issues. The local market may be helped later this year by a large issue of government debt, which would stimulate expertise in pricing and secondary trading of Hong Kong dollar debt instruments.

New chief for Amex banking company

● Mr Edmond J. Safra has been named chairman, chief executive officer and a director of AMERICAN EXPRESS INTERNATIONAL BANKING CORP. (AEIBC), wholly-owned banking arm of American Express company. He succeeds Mr James Robinson, who held the position on an interim basis. In March, 1983, AEIBC combined with certain non-U.S. banking subsidiaries of Trade Development Bank Holding S.A., founded by Mr Safra.

● At the end of this year the chairman of the executive board of NATIONALE-NEDERLANDEN N.V., Mr E. K. den Bakker, will retire. To succeed him Mr T. C. Braakman has been appointed chairman and Mr O. Hattink deputy chairman of the executive board, from January, 1985. The board intends to invite Mr den Bakker to be a member on January 1, 1985.

● Dr Richard M. Cyert, president of Carnegie-Mellon University, Pittsburgh, has been elected to the board of directors of H. J. HEINZ COMPANY, which has been expanded from 19 to 20 members.

● Mr John A. Miller has joined MACLEAN, ODDY AND ASSOCIATES INC. of Dallas, Texas, as senior vice president. The company is a wholly-owned subsidiary of the Sedgwick Group, the UK independent insurance broker.

● MURPHY OIL CORPN'S chief executive officer, Mr C. H. Murphy Jr has stepped down, but will continue as chairman. Mr Robert J. Sweeney, president, was named chief executive officer.

INTERNATIONAL APPOINTMENTS

Mr R. Eeckloo, chairman of Centrale Raiffeisenkas

● Having reached retirement age, Mr A. Florquin has resigned as chairman of the board of CENTRALE RAIFFEISENKAS from March 1. He will be succeeded by Mr R. Eeckloo, a member of the board since 1983. Mr Eeckloo entered the Belgische Boerenbond in 1961 as secretary to the general committee. He was appointed assistant secretary-general in 1965 and secretary-general in 1977. Mr Eeckloo is professor extraordinary at Louvain University.

● Mr Andre George, a partner of Price Waterhouse and Partners, has been appointed special financial adviser to the LUXEMBOURG GOVERNMENT on financial matters relating to the restructuring of the Luxembourg steel industry.

● THE HORN AND HARDART COMPANY has elected Mr Michael P. Sherman vice president and legal counsel. Mr Sherman, a member of the New York and New Jersey Bar Associations joined Horn and Hardart in 1983 as legal counsel and assistant secretary.

● THE STANDARD OIL COMPANY has appointed Dr Charles E. Taylor as director, contributions and community affairs, from March 1. He is currently president of Wilberforce University in Ohio, an office he has held since 1976. Dr Taylor will be based in Cleveland at Sohio's headquarters.

● The board of directors of GULF INTERNATIONAL BANK has confirmed the appointment of Mr Sultan Nasser Al-Suweidi as the new general manager. He has been a board member and executive committee member of Gulf International Bank for a number of years. The board also appointed Mr Ghazi Abdul Jawad as an assistant general manager.

● Mr André de Sike has been appointed to the board of CHARTERHOUSE SA, Charterhouse J. Rothschild's French development capital company based in Paris.

● Mr Gerald Bouwkamp has been appointed president of STANADYNE INC, Connecticut, and will also continue as chief operating officer. He joined Stanadyne in 1953 and has held a series of marketing, manufacturing, engineering and management positions including his most recent as senior executive vice president and chief operating officer.

● Mr Lewis E. Akin has been elected a vice-president of CHICAGO BRIDGE AND IRON COMPANY, a subsidiary of CBI Industries, Inc. Mr Akin, based in Kankakee, Illinois, has been manager of central area operations since August 1983. He is responsible for all of North America except the southern U.S.

● Mr Homer J. Livingston, Jr, has been named president and chief executive officer of LASALLE NATIONAL BANK, Chicago. He was most recently associated with William Blair and Company, an investment banking firm in Chicago, as general partner.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Com. 11⅛ 90	100	99⅞	100⅛	0	−0⅛	11.19
Australia Com. 11½ 95	300	97¼	97¾	0	0	11.88
Australia Com. 11¾ 98	100	97½	98	−0⅛	+0¼	11.94
Bank of Tokyo 11⅞ 90	*100*	*98¾*	*99¼*	*0*	*+0⅛*	*12.11*
Beneficial O/S F. 12 91	100	96¾	97¼	0	+0⅜	12.67
Britoil Fin. 11⅞ 90	125	99½	100	−0⅛	−0⅜	11.90
Canada 10⅞ 88	500	98½	99	0	+0¼	11.20
CCCE 12⅝ 95	75	100¼	100¾	0	−0¼	12.53
Citicorp O/S 10⅜ 90	100	91¾	92¼	+0¼	+0⅜	12.29
Citicorp O/S 11⅝ 90	100	98½	99	+0⅛	+0⅛	12.00
Den. Norsk Crd. 11⅛ 93	50	92¾	93¼	+0¼	+0⅛	12.57
DNC 11¾ 91 WW	50	96⅜	96⅞	0	+0¼	12.53
DNC 11⅜ 91 XW	50	95½	96	+0⅛	+0¼	12.70
Denmark Kgdm. 12¼ 93	100	99⅜	99⅞	+0⅛	+0⅜	12.30
ECSC 11⅞ 90	75	99⅜	99⅞	+0⅛	+0⅜	11.92
EDC 11⅛ 89	150	97½	98	+0⅛	−0⅛	11.74
EEC 11 87	350	98½	99	0	+0¼	11.41
EEC 12 93	50	99¾	100¼	0	−0⅛	12.01
EIB 11½ 90	200	97⅜	97⅞	0	+0¼	12.01
Eksportfinans 11½ 90	100	96⅞	97⅜	−0⅛	+0⅛	12.12
Electrolux 10½ 90	50	92½	93	+0¼	+0¼	12.19
Gen. El. Cr. 11 91 WW	200	97⅝	98⅛	0	0	11.46
GMAC O/S Fin. 11⅛ 90	100	99½	100	0	+0⅛	11.40
IC Indust. Fin. 11⅞ 98	*75*	*97*	*97½*	*0*	*+0½*	*12.27*
Ind. Bk. Japan 11⅞ 91	100	99¼	99¾	0	−0⅛	11.98
ITT Finan. 11½ 89 WW	125	99⅜	99⅞	0	+0⅛	11.57
Japan Air Lines 11 93	75	95¾	96¼	0	+0⅛	11.73
J. C. Penney 11⅞ 90	100	100⅜	100⅞	0	0	11.70
J. P. Mrgn. 11⅛ 90 WW	150	98¾	99¼	0	0	11.60
Levi Strauss Int. 11 90	75	96⅞	97⅜	0	0	11.63
LTCB 10¾ 90	100	94	94½	0	+0¼	12.08
LTCB 12½ 90	85	101¾	102¼	0	−0⅛	12.01
Macy O/S 11⅝ 91	100	99⅝	100⅛	+0½	+0⅛	11.77
Mitsubishi Fin. 11⅝ 90	100	96⅞	97⅜	0	+0⅛	12.01
Nippon Credit 11 90	100	95	95½	−0⅛	+0⅝	12.10
Nippon Credit 11⅞ 90	100	98⅜	98⅞	+0⅛	+0¼	12.16
Nippon Tele. 11⅝ 90	*100*	*99⅝*	*100⅛*	*−0⅛*	*+0⅛*	*11.37*
Nova Scotia Pr. 11⅝ 91	100	96⅞	97⅜	0	+0⅛	12.38
Ontario Hydro 10⅜ 90	250	93½	94	0	0	11.69
Ontario Hydro 11⅝ 90	200	99⅞	100⅜	0	−0⅛	11.69
Pacific Gas & El. 12 91	75	101¼	101¾	0	−0⅛	11.66
PK Banken 12 90 WW	75	97⅝	98⅛	+0⅛	+0⅝	12.45
Prudential 10⅛ 93 WW	150	†95⅜	95⅞	−0⅛	−0⅛	10.86
Prudential 10⅛ 93 XW	*150*	*90¼*	*90¾*	*0*	*0*	*11.79*
Quebec Hydro 11½ 92	100	†98⅜	98⅞	0	+0½	11.74
Quebec Prov. 12⅜ 94	150	98¾	99¼	+0⅛	+0½	12.43
Royal Bk. Can. 11⅛ 89	100	98⅛	98⅝	0	+0⅜	11.95
Rural & Ind. Bk. 12 91	50	97¾	98¼	−0⅛	−0⅛	12.44
Sears O/S Fin. 11½ 88	125	101¼	101¾	0	0	11.05
Sears O/S Fin. 11⅝ 91	150	98¾	99¼	0	+0⅛	11.87
Sears O/S Fin. 11⅝ 93	150	98¾	99¼	0	+0⅛	11.80
SEK 11½ 89	100	97¾	98¼	0	0	12.05
Sumitomo Fin. 10⅞ 90	100	94½	95	−0⅛	+0⅛	12.08
Texaco Capital 10½ 93	200	94¼	94¾	−0⅛	−0⅛	11.45
Tokai Asia 12⅜ 91	100	99⅞	100⅜	−0⅛	+0¼	12.22
World Bank 11⅛ 88	100	98¾	99¼	+0⅛	−0⅛	11.50
World Bank 11⅝ 90	200	96¾	97¼	−0⅛	0	11.90
World Bank 11½ 90	150	97¾	98¼	+0¼	−0⅛	11.92
World Bank 12 93	200	100	100½	0	−0⅛	11.92

Average price changes... On day 0 on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	99⅛	99⅝	+0⅛	+0½	7.57
Amca Intl. 8¼ 91	100	100¼	100¾	+0⅛	+1½	8.18
ANAS 8½ 91	150	100¼	100¾	+0⅛	+1⅛	8.39
Arab Bnkg. Cpn. 8 88	100	97¾	98½	+0⅛	+0¼	8.48
Asian Dev. Bk. 8½ 93	200	101¾	102¼	+0⅜	+1	8.22
Barclays O/S 8¼ 98	250	102	102½	+0⅛	+0⅛	7.86
Beatrice Foods 7¾ 93	130	102¾	103¼	−0⅛	0	7.33
EEC 8 92	*200*	*100⅝*	*101⅛*	*+0⅛*	*+0⅛*	*7.84*
EIB 8 91	250	100⅜	100⅞	+0⅛	+0½	7.88
EIB 8 93	200	100⅝	101⅛	+0⅛	+1	7.87
Europarat 8¼ 93	150	100⅝	101⅛	+0⅛	+0¼	8.13
Finland Rep. 8 90	150	101½	102	+0⅛	+1	7.67
IADB 8⅛ 93	150	99⅞	100⅜	+0⅛	+0⅛	8.20
Int. Standard Ele. 7½ 90	100	101¾	102¼	+0⅜	+0⅜	6.99
Int. Standard Ele. 7⅞ 93	100	101⅞	102⅜	+0⅛	+0⅜	7.42
Ireland 8⅜ 91	150	100¾	101¼	+0⅛	+0⅛	8.40
LTCB 8 90	100	101¼	101¾	+0⅛	+0⅛	7.68
Megal Fin. 8⅜ 94	150	99⅛	99⅝	+0⅜	+1⅛	8.34
OKB 7½ 88	100	99¼	99¾	0	+0⅛	7.65
Reynolds O/S F. 7¾ 94	125	99¾	100¼	0	+0⅛	7.50
Sth. Africa Rep. 8½ 91	*200*	*101⅞*	*102⅜*	*+0½*	*+0⅝*	*8.11*
SNCF 8⅛ 93	100	100⅜	100⅞	+0⅛	+0⅛	8.04
Veba Int. F. 4 93 WW	300	130⅜	130⅞	+0⅛	+3	0.77
Veba Int. F. 4 93 XW	300	77¾	78¼	+0⅛	+0⅛	7.20
World Bank 7⅞ 89	300	101¾	102¼	+0⅛	+0⅛	7.46
World Bank 8 93	300	100⅜	100⅞	+0⅛	+0½	7.92

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bank of Tokyo 6 91	100	102½	102¾	+0½	+0¼	5.56
Denmark 6⅜ 91	100	103	103½	0	+0¼	5.83
EEC 6 93	100	101	101¼	−0⅛	0	5.84
Elec. Power Dev 5⅝ 93	100	100½	100¾	+0⅛	0	5.64
Europarat 6⅛ 93	100	100¾	101	−0⅛	−0⅛	6.00
Ind. Fd. Finland 6¼ 91	40	101¾	102	+0⅛	0	5.93
Int.-Am. Dev. Bk. 6 93	100	100¼	100½	0	0	5.94
Ireland 6½ 93	80	102⅝	102⅞	0	−0⅛	6.11
Japan Dev. Bank 5⅞ 93	100	101¾	102	0	−0⅛	5.61
Jap. Highway P. 5⅝ 91	100	101½	101¾	+0⅛	+0½	5.36
Kansai Elec. Pwr. 6 91	100	102¾	103	0	+0⅛	5.51
Manitoba Prov. 5⅝ 93	100	101⅞	102⅛	+0⅛	0	5.22
Mont Blanc Tunl. 6⅜ 93	35	102⅝	102⅞	+0⅛	+0⅛	5.99
Mont. Isa Fin. 6 93	100	103¼	103½	+0⅜	+0⅛	5.53
Mt. Bk. Denmark 6⅝ 91	80	102¼	102½	+0½	−0⅛	5.85
New Brunswick 5⅝ 93	100	102¼	102½	0	−0⅛	5.42
Nippon Tel. & T. 6⅜ 93	100	103¼	103½	+0⅜	+0½	5.30
Nisshin Steel 6⅜ 91	100	101¼	101½	−0⅜	−0⅜	5.99
Osterr. Post 6⅝ 91	100	†103	103½	−0⅛	+0⅛	5.57
Quebec Province 5⅝ 93	100	101¼	101½	+0⅛	+0⅛	5.45
Shikoku Elec. Pwr. 6 91	100	102¼	102½	+0⅛	−0⅛	5.61
Soc. Lux. Cent. 5⅝ 93	100	99⅞	100⅛	+0⅛	+0⅜	5.76
Sumitomo Hvy. I. 6 91	100	101¼	101½	+0⅛	+0⅛	5.75
Tokyo Elec. Pwr. 5⅞ 91	100	103⅛	103⅜	0	+0⅜	5.28
Trizec Corpn. 6¼ 93	*100*	*100⅞*	*101⅛*	*−0⅛*	*0*	*5.98*

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅛	108⅛	0	+0⅛	7.33
EIB 8⅛ 92	15	103⅜	104⅛	0	0	7.55
Int.-Am. Dv. Bk. 7⅞ 93	*15*	*102⅝*	*103⅜*	*0*	*0*	*7.46*
New Zealand 7⅝ 89	15	103⅜	104⅛	0	−0⅜	6.73
World Bank 7⅝ 93	20	102⅛	103⅛	0	0	7.20

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Hyd. 12 93 C$	125	97⅜	98⅛	+0½	0	12.34
Br. Col. Tel. 12¾ 99 C$	70	98⅛	99⅜	+0⅛	+0⅛	12.32
EIB 12⅜ 91 C$	80	†98⅛	98⅝	+0⅛	−0⅛	12.44
Loblaw 12½ 90 C$	35	†97⅞	98⅞	0	0	12.91
Montreal City 12 90 C$	50	†98⅛	98⅝	+0⅛	+0⅛	12.31
Royal Trstco. 12⅝ 88 C$	50	†101⅛	101⅝	0	+0⅛	12.15
World Bank 12⅜ 90 C$	75	†100⅛	101⅛	+0⅛	+0½	12.02
Cie Bancaire 11 90 ECU	37	99¼	100	0	+0⅛	11.06
SDR Frnce. 11⅝ 95 ECU	20	101⅛	102⅛	0	0	11.34
Algemene Bk. 8⅛ 88 Fl	150	102⅛	102⅝	0	+0⅛	7.91
Amro Bank 8⅛ 88 Fl	100	102⅛	103⅛	0	+0⅛	7.94
Bk. Mees Hope 9 88 Fl	75	103	103⅜	−0⅛	+0½	8.10
Ned. Mddnstbk. 9 88 Fl	100	102⅝	102⅞	0	+0⅛	8.28
Rabobank 9 88 Fl	100	102⅛	103⅛	−0½	+0⅛	8.21
World Bank 9 88 Fl	100	103⅛	103⅞	−0⅛	+0⅛	7.99
OKB 14 86 FFr	400	101⅛	102⅛	0	0	12.72
Solvay et C. 14¾ 86 FFr	200	102⅛	103⅛	0	0	13.04
BFCE 11½ 88 £	50	100⅛	100⅝	0	+0⅛	11.35
CEPME 11⅛ 95 £	35	104⅜	105⅛	+0⅛	+0⅛	10.48
Ciba-Geigy Int. 6⅜ 93 £	25	101½	102⅛	−0⅛	0	6.44
Commerzbank 11½ 90 £	25	99⅛	99⅝	0	+0⅛	11.59
EEC 11⅛ 94 £	50	98⅛	99⅛	+0⅛	+0½	11.54
EEC 11⅞ 93 £	50	101	101½	0	+0⅛	11.63
Fin. for Ind. 10½ 90 £	20	95⅛	95⅝	+0⅛	+0⅛	11.56
Finland Rep. 11⅞ 88 £	50	101⅞	102⅜	−0⅛	0	11.21
Gen. Elec. Co. 12½ 89 £	60	†101	101½	0	+0⅛	12.12
III 10⅜ 93 £	25	95½	96	+0⅛	0	11.48
III 11½ 91 WW £	50	†100⅛	100⅝	−0⅛	−0⅛	11.38
Int. Stand. El. 11⅛ 89 £	50	98⅛	98⅝	−0⅛	0	11.56
Norsk Hydro 12 90 £	30	103	103½	+0⅛	+0⅛	11.19
Sweden 11⅛ 93 £	50	98⅛	98⅝	−0⅛	0	11.51
Sw. Ex. Cred. 11⅛ 88 £	30	99½	100	0	+0⅛	11.28
World Bank 11⅛ 88 £	100	99⅛	99⅝	−0⅛	−0⅛	11.19
Eurofima 10 91 LuxFr	600	98⅛	99⅛	0	−0⅛	10.75
Europarat 10⅛ 93 LuxFr	600	99⅛	100⅛	0	0	10.80

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5⅛ 95	0⅛	98⅞	98⅛	8/6	10.31	10.46
Banco di Roma 5⅛ 90	0¼	99⅞	100⅛	7/6	10⅛	10.50
Belgium 5 2004	0⅛	99⅛	99⅜	9/7	10.31	10.38
Bk. of New York 5⅛ 96	§0⅛	99⅛	99⅜	12/4	10.06	10.13
Credit Foncier 5⅛ 93	0⅛	100	100⅛	6/4	10	9.99
Credit Lyonnais 5⅛ 96	0⅛	99⅛	99⅜	18/7	10.19	10.25
Denmark 5⅛ 90	0⅛	99⅛	100	13/4	10	10.01
Die Erste Oes. 5⅛ 92	0⅛	99⅛	99⅜	27/7	10⅛	10.29
Dresdner F. 5⅛ 93 XW	§0⅛	100	100⅛	19/4	9.94	9.93
EAB Fin. 5 93	§0⅛	99⅛	100	20/6	10.69	10.70
EEC 5 90	0⅛	100⅛	100⅜	5/7	10⅛	10.36
Ext. Int. 5⅛ 96	0⅛	98⅛	98⅞	21/6	10.81	10.95
First Interstate 5⅛ 95	§0⅛	99⅛	99⅜	6/3	9.94	9.99
Fuji International 5⅛ 96	§0⅛	99⅛	99⅜	12/7	10⅛	10.28
Genfinance 5 94	0⅛	99⅛	99⅜	19/7	10⅛	10.15
Grindlays Euro. 5⅛ 94	0⅛	99⅛	100	1/8	10⅛	10.26
GZB 5⅛ 96	0⅛	99⅛	99⅜	29/5	10.19	10.27
Hispano 5⅛ 95	0⅛	98⅛	98⅜	20/4	10	10.15
Kansallis Osake 5⅛ 92	0⅛	99⅛	99⅞	1/8	10⅛	10.16
Nat. Bk. Canada 5⅛ 91	§0⅛	†99⅛	99⅛	6/7	10.44	10.52
Quebec Hydro 5⅛ 94	0⅛	99⅛	99⅞	19/7	10⅛	10.15
Saitama Int. 5⅛ 93	0⅛	99⅛	100	5/6	10.19	10.20
Sumitomo 5⅛ 94	§0⅛	99⅛	99⅞	9/8	10⅛	10.15
Sweden 5⅛ 2003	§0⅛	99⅛	100	17/5	10.19	10.20

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Bwn. Boveri 4⅛ 95	2/84	108	†101	102	0	−7.09
Bridgestone Tire 5½ 96	3/82	470	120¾	121¾	+0⅛	3.01
Canon 7 97	7/82	680.2	225¾	227¾	−2⅛	−1.94
Daiwa Sec. Co. 5½ 98	10/83	481.8	†103⅛	104⅛	+0⅛	−1.03
Fanuc 3¾ 98	1/84	9142	121⅛	122⅛	+2⅛	7.69
Hitachi Cable 5⅞ 96	2/82	515	115⅛	117⅛	−0⅛	−1.77
Honda Motor 5⅛ 98	6/83	884	118⅛	119⅛	+2⅛	4.68
Honda Motor 5½ 97	3/83	759.6	135⅛	137⅛	+2	2.28
Konishiroku Ph. 4 98	10/83	673	103⅛	104⅛	+0⅛	3.84
Kyowa Hakko 6⅛ 97	2/83	762	114⅛	115⅛	−0⅛	6.38
Minebea Co. 5½ 98	5/83	887	108⅛	109⅛	−1⅛	−2.16
Mitsubishi Elec. 5⅛ 98	6/83	396	104⅛	105⅛	−0⅛	3.19
Mitsubishi Heavy 4⅛ 99	1/84	263	97⅛	98⅛	+0⅛	3.30
Murata 3½ 99	2/84	2939	120⅛	121⅛	+0⅛	8.10
Nippon Oil Co. 5½ 98	4/83	964	111⅛	112⅛	+2⅛	7.24
Nissan Motor 5⅛ 98	4/83	770	103⅛	104⅛	+0⅛	0.26
Olympus Optic. 6⅛ 97	12/82	1157	105	106⅛	−0⅛	11.32
Orient Leasing 5⅛ 98	6/83	2680	105⅛	106⅛	+1⅛	−2.33
Secom 5 98	11/83	2920	161	162⅛	+1⅛	−0.37
Yamaichi Sec. Co 5 98	8/83	449.5	100	101⅛	+0⅛	−1.39
Yamanouchi Ph. 4 90	10/83	1806	96⅞	97⅛	−1⅛	26.99
Bridge Oil 4⅛ 93 SwFr	3/84	3.43	108⅛	109⅛	−0⅛	19.20
Nippon Air. 2⅞ 94 SwFr	2/84	354	99⅛	100⅛	+2	1.36
Toshiba 2¾ 94 SwFr	1/84	391	108⅛	109⅛	+0½	6.43
Asics 5 92 DM	12/83	520	106⅛	107⅛	+0⅛	17.36
Sum Realty 6⅝ 92 DM	2/83	385	125	126	+2	−4.61

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week ...	6,067.8	15,009.2
Previous week	6,282.4	13,533.8
Other bonds		
Last week ...	1,788.0	1,633.3
Previous week	1,593.5	1,065.5

* *No information available—previous day's price.*

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on February 17

UK COMPANY NEWS

Ozalid pre-tax profit cut by half to £1.3m

A SECOND HALF loss of £13,000, compared with profits of £4.85m, has left the pre-tax surplus of Ozalid Group Holdings, wholly-owned reprographic subsidiary of Oce-van der Grinten of the Netherlands, halved at £1.27m for the year ended November 30 1983, against £2.46m.

There was not tax, however, and after an extraordinary debit of £1.13m last time, the balance came through little changed at £1.27m (£1.34m).

The directors say that this is a satisfactory performance in view of the fact that the reprographic market as yet to benefit from the upturn in activity being experienced by some other sectors of the manufacturing industry.

Group turnover fell from £41.57m to £35.69m.

Sales of reprographic products to the UK markets increased marginally, while the fall in total domestic sales was due to the closure of Ozalid business forms in late 1982.

Export sales declined in 1983 because of currency and other economic problems in the export markets. The directors say the effects of the recession and the structural overcapacity in the industry made further reductions in operating costs imperative.

There are signs that demand is beginning to pick up, which will provide sales opportunities in 1984, they add.

Operating costs amounted to £34.19m for the year, compared with £35.81m, and included depreciation of £985,000 (£1.09m), leaving operating profits of £1.5m, against £2.76m.

Interest receivable was £808,000 (£873,000) and the pre-tax figure was after interest payable down slightly at £1.04m (£1.18m).

Ozalid is engaged in the reprographic industry embodying all types of drawing and document copying processes for drawing and commercial office. Activities include the supply of materials, machines and equipment and provision of related services.

Norbain capitalised at £7.7m

Simon and Coates is bringing Norbain Electronics to the Unlisted Securities Market today by way of a placing of 920,000 shares of 5p at 116p per share giving a market capitalisation of £7.7m.

Norbain, founded by the chairman Mr John Nicol in 1972 is a specialist distributor throughout the UK of electronic components, industrial closed circuit video equipment and related components, microcomputers and computer peripherals.

The placing of 14 per cent of the share capital will raise £426,000 for the company and the same amount for the directors who after the placing will hold 84.7 per cent (of which Mr Nicol's share is 78.2 per cent).

A forecast net dividend of 1p represents a yield of 1.2 per cent at the placing price.

Dealings are expected to begin on Wednesday February 22.

TCB advances 26% to record £6.36m

TAXABLE PROFITS of TCB, a wholly-owned subsidiary of P & O, advanced by 26 per cent to a record £6.36m compared with £5.05m in the 1983 year.

Mr Oliver Brooks, chairman, says that the improvement stemmed from an increase in the company's loan book of £35m to £143m. TCB was formerly known as Twentieth Century Banking.

He adds that while the mainstream lending business expanded satisfactorily, good progress was also made in broadening ancillary services, investment management and corporate advice.

Factors Trust, he says, more than doubled the volume of its factored debts and other advances. The hire purchase subsidiary, Tower Acceptances, increased its business by 60 per cent and continues to maintain strict control procedures despite the abolition of hire purchase restrictions in mid-1982.

Mr Brooks says that the group's expansion was achieved without detriment to its policy of maintaining a conservative gearing ratio. Paid-up capital was increased early in 1983 from £10m to £15m, and at the year-end capital and reserves amounted to over £22.5m with a gearing ratio of just under 7:1.

Tax for the year took £1.26m (£954,000) and dividends absorbed £2.9m (£2.31m), leaving a retained surplus of £2.22m (£1.78m).

Isle of Man Steam needs 'dramatic improvement'

A WARNING that profitability must be dramatically improved if the future of the Isle of Man Steam Packet Co, ship owner, is to be assured has been given by Mr S. R. Shimmin in his chairman's report.

The report points out that the company has invited tenders for a new multipurpose ship. A price of £20m has been quoted so profits obviously have to be greatly improved, although the annual return showed that overall the company had improved its financial situation by about £750,000, he states.

He adds that the decline in the tourist industry seems to have been arrested and it is hoped that a recovery will now follow as its effects on the island are most important.

Surveying the company's operations, Mr Shimmin points out that while traffic from Ireland has greatly increased there had been an almost equally great decline in the traffic from the other ports they serve in England and Scotland.

As known, net profits were £351,857 (£131,572 loss) for 1983 after tax of £43,000 (£52,350 credit). A dividend of 5p (2.5p) is payable.

The annual meeting is in Douglas, Isle of Man, on February 29.

Net losses at London & Gartmore

Net asset value per 25p share at London and Gartmore Investment Trust was 286.7p at December 31 1983, compared with 302.1p at June 30. At December 31 1982, it stood at 200.4p.

There was a net loss of £1,409 in the six months to December 31, compared with revenue of £6,454 a year earlier. The directors say the small deficit at half-way is the result of increased borrowings of US$3.5m ($2m). However, the greater part of the company's dividend income arises in the second half and it is anticipated that payment of the ordinary dividend can be maintained at 1.5p for the year to June 30 1984, without recourse to revenue reserves.

Gross income in the opening half improved from £173,977 to £223,022. Management expenses were lower at £37,199 compared with £44,108, and bank loan interest was higher at £162,757 against £97,590. This resulted in net revenue before tax falling from £31,279 to £23,066. There was a tax charge of £24,475 (£24,825).

The loss per share was 0.03p against earnings of 0.15p.

During the period, a further five-year multi-currency loan facility of US$500,000 was negotiated and drawn down.

Updown asset rise to 205p

Net asset value per 25p share of Updown Investment advanced from 147p to 205p in the year to December 31 1983. Last June it came to 195.5p.

Revenue for the 12 months totalled £260,905 compared with £234,988. Expenses were £27,697 (£27,305) and debenture stock interest was £12,600 (same).

Tax took £73,295 (£67,251). The single dividend payment is lifted from 2.5p to 2.9p with earnings pere share given as 3.68p against 3.2p.

FT Share Information

The following securities have been added to the Share Information Service:

Bell Atlantic Corporation (Section: Americans)
Bell South Corporation (Americans)
NYNEX Corporation (Americans)
Pacific Telesis Group (Americans)
Southwestern Bell Corporation (Americans)
Throgmorton Trust Subscription Warrants (Investment Trusts)
U.S. West, Inc (Americans)
VG Instruments (Electricals)

Tunstall growth

The first quarter of the current year had been most encouraging, Mr M. J. Dawson, chairman of Tunstall Telecom Group, told the annual meeting.

He said the period had shown a significant growth in turnover which had continued into the second quarter, enhanced by a £1.36m contract with Rotherham Metropolitan Borough Council.

New products from this communications equipment manufacturer would continue to become available as a result of the company's development programme, the chairman added.

APS £1m placing

Hoare Govett, and Kridel International have arranged a private placing of £1m in ordinary shares for the APS Group with Legal and General Assurance Society and Equity and Law Life Assurance Society.

APS comprises three companies: Shanning International, Applied Pneumatics, and AP Control Systems.

Sanning is involved in hospital equipment packaging, Applied Pneumatics in the field of distribution of compressed air equipment and pneumatic systems.

SHARE STAKES

J. Carr — Mr P. J. Carr, director, has sold 100,000 ordinary.

Silkolene Lubricants—Scottish American Investment Co. now holds 215,000 shares (5.14 per cent).

Osprey Petroleum — Bristol Oil and Minerals has acquired a further 70,000 ordinary at 112p each.

Brammar — Prudential Corporation is interested in 2,407,188 ordinary (8.08 per cent).

Delyn Packaging — Following further market purchases, discretionary clients, non-discretionary clients and associates of John Carrington and Co. now hold collectively 460,750 ordinary shares (23.15 per cent). The Border and Southern Trust has sold 240,000 shares and now holds less than 5 per cent.

GRA Group—Scott's Restaurant has purchased 482,000 ordinary for £206,199. Its total holding is now 2,607,000 (6.05 per cent).

Southampton, Isle of Wight and South of England Royal Mail Steam Packet — James Fisher & Sons now holds 5.2267 per cent.

The United Debenture Corp. — Provincial Insurance has increased its holding in the 4.60 per cent cumulative preference stock to £399,500 (17.33 per cent).

Asset Special Situations Trust — Nottinghamshire County Council pension fund has disposed of its 750,000 ordinary shares.

Aero Needles Group — Rowe and Pitman, on behalf of an associate of Coats Paton, has bought 87,500 ordinary at 86p each.

Fleming Far Eastern Investment Trust — Prudential Corporation has disposed of 273,560 ordinary and now holds 5,455,324 (10.82 per cent).

Xyllyx — Pursuant to an agreement, John Barton has transferred 1.5m ordinary shares and Mr Imre Lake has transferred 60,000 shares to Mr Richard Fox-Davies. As a result, Mr Fox-Davies holds 1.56m shares (7.8 per cent). Mr Lake holds 8.85m shares (44.25 per cent) and Mr Barton holds 4.605m shares (23.02 per cent).

Rotaprint — Prudential Assurance now owns less than 5 per cent of the 11¼ per cent convertible redeemable preference shares.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Finals—English and Scottish Investors, Micro Focus, Scottish Eastern Investment Trust, Standard Telephones and Cables, Temple Bar Investment Trust.

FUTURE DATES

Interims—	
Ferry Pickering	Mar 28
Intereuropean Tchnlgy. Srvcs.	Feb 27
Kenyon Securities	Feb 27
Tor Investment Trust	Feb 23
Finals—	
Afex	Feb 22
Anglo-International Inv. Trust	Feb 22
Fisons	Mar 5
Guildhall Property	Feb 23
Investment Trust of Guernsey	Feb 22
Jacobs (John I.)	Mar 21
Newbold and Burton	Feb 23
Prudential Corporation	Mar 28

FINANCIAL TIMES STOCK INDICES

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 10	1983/84 High	1983/84 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	82.79	82.89	82.77	82.72	82.60	82.49	83.77	77.00	127.4	49.18
Fixed Interest	87.05	87.04	86.90	86.81	86.81	87.13	87.47	79.05	150.4	50.53
Industrial Ord	816.2	817.9	816.6	812.1	803.0	806.4	840.5	598.4	840.5	49.4
Gold Mines	605.7	616.5	606.0	577.7	589.9	595.3	734.7	444.6	734.7	43.5
FT-Act. All-Share	491.99	490.92	489.33	485.66	482.65	481.97	504.73	382.22	504.73	61.92

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
§§	F.P.	—	24	14½	Aberfoyle Plants 5p	23	−1	—	—	—	—
§58	F.P.	9/3	80	70	✣Assoc.Energy Ser.5p	73	......	b1.0	3.9	2.0	15.0
¶93	F.P.	—	200	180	✣CML Mic's'tems 10p	190	−5	b1.4	3.4	1.1	40.4
¶275	F.P.	2/3	340	271	Cable & Wireless 50p	340	+7	h5.47	3.6	2.3	14.8
‖‖	F.P.	—	95	88	✣Circaprint Hldgs 10p	90	......	u0.7	7.7	1.1	12.6
‖‖	F.P.	—	255	200	✣Gibbs Mew	200	−5	4.65	1.6	3.3	26.1
§91	F.P.	24/2	98	94	✣GrosvenorSq.Pp.10p	98	+1	b5.0	2.3	7.3	7.3
§35	F.P.	—	42	39	✣Kent (John) 5p	42	+3	bg1.23	2.2	4.2	15.4
§§	F.P.	—	105	95	✣LPA Inds. 10p	95	−2	u2.45	3.5	3.7	15.2
§60	F.P.	—	70	64	✣Radio Clyde N/V	70	+4	3.0	1.4	6.1	16.3
100	F.P.	27/1	95	85	✣Synterials 10p	86	......	—	—	—	—
§105	F.P.	—	114	108	✣Unibond	109	+1	b2.8	2.2	3.7	17.5
§110	F.P.	2/3	166	140	✣Valin Pollen Int'l. 5p	157	+1	1.6	3.1	1.5	32.0
§10	F.P.	31/1	19	16	✣Welpac 10p	16½	......	bg0.2	4.1	1.7	17.8
§50	F.P.	—	54	44	✣Xyllyx 10p	49	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
**	F.P.	—	135	120	Allied Textile 10% Cnv. Uns. Ln. 1993	128	......
¶¶	F.P.	—	106	105½	Atlanta Inv.Tst. 7% Cnv. Red. Cum. Prf.	105½	......
¶¶	F.P.	—	103	101	BAT Inds. 12¼% Uns. Ln. 2003-08	102¼	−¼
¶¶	F.P.	—	100	98½	Do. Fltg. Rate Cap. Nts. 1986/90	100	......
97.072	£25	—	25¾	25¼	Brixton Est. 11¼pc 1st Mort. Deb. 2023	25¾	......
**	F.P.	—	111½p	108½p	Bulmer (H.P.) 8½% 2nd Cum. Prf.	111½p	......
§99.15	£25	22/3	27¼	24¾	Elf (U.K.) 12¼% Uns. Ln. '91	27¼	......
98.714	£30	26/4	33⅝	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	32	−½
100	F.P.	—	101½	99	Kensington & Chelsea 11.15% Red. 2006	100¼	−1¼
"	£30	10/11	48	30½	Lon. Shop Prop. 9pc Cnv. 94.99 Ser II	43	......
§95.711	£25	15/6	25⅛	24½	MEPC 10½pc 1st. Mort. Deb. 2024	24¾	......
¶101	£10pd	—	10¼	10¼	Mid-Southern Wtr. 6¼% Red. Prf. 1991	10¼	......
—	F.P.	—	100⅛	100	Nationwide 10¼% Bds. 28/1/85	100⅛	......
—	F.P.	—	100⅛	100	Do. 10½pc 18/2/85	100	......
¶97.80	£25	—	25¾	25½	Province de Quebec 12¼% Ln. 2020	25⅝	−⅛
99.44	£25	13/4	27⅝	25¼	Queens Moat 12% 1st Mort. Deb. 2015	27½	+⅛
100	F.P.	—	100¼	98¼	Rochdale Met. Bor. 11.10% Red. 2006	100	−¼
¶¶	F.P.	30/3	102½	101¼	Slough Ests. 12⅝% Uns. Ln. 2009	102¼	......
99.893	£30	21/3	32¼	29¾	Spain 12% Ln. 1988	32¼	......
98.50	£25	—	25½	25½	TR City of London 11½pc Deb. 2014	25½	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
300	F.P.	17/2	436	400	Carlton Communications 5p	410	......
R28.20	Nil	17/2	408	150	East Dagga	330	......
—	F.P.	—	148	138	Do. Options	148	......
160	F.P.	3/2	208	196	Ellis & Everard	200	......
32	F.P.	24/2	47	35	Herman Smith 10p	44	......
32	F.P.	6/2	39	34½	Jones (Edward) 10p	35½	......
275	Nil	—	44pm	44pm	Higgs & Hill	44pm	......
137	Nil	—	22pm	13pm	McCorquodale	20pm	......
30	F.P.	9/3	58	45	Meggitt 5p	46	......
350	Nil	—	44pm	28pm	Sketchley	34pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖‖ Introduction. ✣ Unlisted Securities Market. § Placing price. †† Official London Listing. ‖ No par value.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
Armstrng Equip	Mar 23	Interim 0.35
Ault and Wiborg	Mar 4	Final 0.5
BCA	Mar 17	Interim 2.0
*BICC	Mar 21	Final 7.04
BL	Mar 18	Final nil
BP	Mar 17	Final 14.0
*BPM	Feb 23	Interim 1.681
BTR	Mar 16	Final 5.25
Babcock Intl	Mar 30	Final 3.6
*Barclays Bank	Mar 5	Final 11.0
*Barratt Develpts	Mar 13	Interim 4.2
*Bath and Portland	Feb 22	Final 3.5
Bejam	Mar 17	Interim 1.5
Bell (A.)	Mar 23	Interim 2.0
*Bibby (J.)	Mar 20	Final 5.15
Boddingtons' Brews	Mar 10	Final 2.25
Booker McConnell	Mar 29	Final 2.25
Bowater	Mar 29	Final 3.5
Brent Chems Intl	Mar 22	Final 1.9
British Aerospace	Mar 29	Final 5.2
British Vita	Mar 8	Final 2.7
Britoil	Mar 15	Final 3.75
Brooke Bond	Mar 15	Interim 1.25
Bunzl	Mar 29	Final 4.5
Burton	Mar 22	Interim 3.1
*Cadbury Schweppes	Mar 8	Final 3.5
Cement Roadstone	Mar 15	Final 3.56
*Comm Union	Feb 28	Final 6.95
*Cons Gold Fields	Mar 6	Interim 8.5
Cons Plants	Mar 5	Interim 5 sen
De Beers	Mar 15	Final 25c
Delta	Mar 28	Final 1.58
Eastern Produce	Mar 14	Final 3.5
Exco Intl	Mar 29	Final 3.1
*Fisons	Mar 5	Final 7.5
Freemans	Mar 28	Final 2.25
*General Accident	Feb 29	Final 9.5
General Mining	Mar 10	Final 120c
Grindlays	Mar 1	Final 4.464
GKN	Mar 17	Final 4.0
GRE	Mar 29	Final 12.5
Glynwed	Mar 28	Final 4.9
Harris Queensway	Mar 25	Final 4.0
Hepworth Ceramic	Mar 24	Final 3.35
*HK Shanghai Bank	Mar 13	Final HK$0.37
Hoover	Feb 17	Final nil
Horizon Travel	Mar 17	Final 2.8
*ICI	Feb 23	Final 10.0
*IMI	Mar 12	Final 2.0
Ibstock Johnsen	Mar 31	Final 3.0
Kleinwort Benson	Mar 29	Final 8.0
LWT	Mar 29	Interim 4.494
*Laing Props	Mar 20	Final 3.0
Legal and General	Mar 30	Final 11.0
Lex Service	Mar 25	Final 5.0
*Lloyds Bank	Mar 9	Final 14.66
Lasmo	Mar 10	Final 6.5
*Low and Bonar	Mar 26	Final 3.0
Lucas Inds	Mar 31	Interim 2.6
*Marchwiel	Feb 22	Final 4.8
Marley	Feb 23	Final 1.5
*Midland Bank	Mar 8	Final 17.5
Mills and Allen	Mar 14	Interim 4.0
*Mitchell Cotts	Mar 1	Interim 1.5
*NatWest	Mar 6	Final 18.4
News Intl	Mar 3	Interim 3.499
Ocean Transport	Mar 23	Final 2.35
Paterson Zochonis	Mar 22	Interim 1.33
Peachey Prop	Mar 22	Interim 2.25
Pritchard Services	Mar 24	Final 2.1
Provident Financial	Mar 8	Final 5.58
*Prudential	Mar 28	Final 10.0
Ransomes Sims and Jefferies	Mar 9	Final 8.86
Reckitt and Colman	Mar 29	Final 6.6
*Rentokil	Mar 20	Final 2.05
Rowntree Mackintosh	Mar 16	Final 5.9
Royal Dutch Petroleum	Mar 10	Final Fl 4.65
*Royal Insce	Mar 1	Final 16.5
Sedgwick	Mar 10	Final 4.5
Shell Transport	Mar 10	Final 12.6
Sime Darby	Mar 5	Interim 4 sen
Slough Ests	Mar 23	Final 2.075
Smith and Nephew	Mar 22	Final 2.8
Standard Chartered Bk	Mar 22	Final 17.8
*Stand Telephone and Cables	Feb 20	Final 4.0
Steetley	Mar 17	Final 3.0
Superdrug	Mar 29	Final due
*TI	Mar 15	Final 5.0
Telefusion	Feb 24	Interim 0.82
*Transport Develpmt	Mar 15	Final 3.0
Tricentrol	Mar 24	Final 5.6
*Turner and Newall	Mar 21	Final nil
Ultramar	Mar 10	Final 9.5
Unilever	Mar 1	Final 18.87
Unilever NV	Mar 1	Final Fl 14.56
*Utd Biscuits	Mar 15	Final 3.55
United Newspapers	Mar 23	Final 3.55
*Vickers	Feb 27	Final 7.5
Vosper	Mar 29	Final 3.0
Weir	Mar 30	Final 1.75
Willis Faber	Mar 22	Final 12.5
Wolseley-Hughes	Mar 16	Interim 5.08

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

Closing prices February 17

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19¼	9¾	AAR	.44	2.3	23	126	19	18¾	18¾	-¼
52⅜	30½	ACF	1.40	3.3	541	422	43¾	41⅛	43¼	+1¼
22	18¾	AMCA	n 1	5.5		1	18½	18¾	18¾	
18⅞	14⅛	AMF	.50	3.5		z462	14½	d14¼	14¼	-½
41¾	20¾	AMR Cp			12	5603	28⅞	27⅞	28	-1⅛
20⅛	16⅛	AMR	pf2.18	11		26	19⅞	19⅝	19⅝	-⅛
41½	24⅞	AMR	pf2.13	7.0		251	31⅛	30¾	30½	-⅝
26¼	23⅞	ANR	pf2.57	11		430	24½	24¼	24½	+⅛
16¼	3¼	APL			3	60	11	10⅞	11	+⅛
55¾	36¾	ARA	2.05	4.5	10	38	46	45¾	45⅞	-⅛
77¼	50¼	ASA	3a	4.9		906	61⅝	60⅝	61⅛	+⅛
33¾	14⅝	AVX	s .32	1.5	22	61	22¼	22	22	-⅝
53⅛	37⅞	AbtLab	1	2.2	16	1515	45⅝	44½	45	-½
30¼	23⅛	AccoW	n .60	2.3	17	127	26⅛	25⅞	26⅛	
27½	17⅞	AcmeC	.40	1.7		25	23⅜	23⅛	23⅜	+⅛
13	8⅞	AcmeE	.32b	3.2	63	10	10	9¾	10	
24⅞	9⅞	AdmDg	.04	.3	10	16	12⅞	12⅞	12⅞	
18¼	15¼	AdaEx	2.11e	13		58	16	15⅞	15⅞	+⅛
19¼	7⅛	AdmMl	.28	1.7	8	53	17	16¾	16¾	+⅛
18⅞	8⅞	Advest	.12	1.2	9	50	9⅞	9⅞	9⅞	+⅛
37½	15½	AMD	s		33	2181	27⅞	27	27	-⅝
24⅞	12½	Aerflx	s		13	80	13⅞	12⅞	13¼	
43½	33⅞	AetnLf	2.64	7.7	10	3163	35	34⅛	34½	-⅛
65	55¼	AetL	pf5.09e	8.9		163	57	56⅝	57	+⅛
40½	24	Ahmns	1.20	5.1	6	2098	25	d23¼	23⅝	-1½
7⅛	3	Aileen				142	4⅛	3⅞	4	-⅛
51	38¼	AirPrd	1	2.5	11	279	41⅛	40½	40¾	-⅝
30⅞	19	AirbFrt	.60	2.7	14	9	22⅛	21⅞	22	
5	1⅛	AlMoa	s		27	1007	3	2⅞	3	
33½	29⅛	AlaP	pfA3.92	13		2	30½	30½	30½	-½
7⅞	6½	AlaP	dpf.87	12		21	7¼	7⅛	7¼	-⅛
74½	65⅛	AlaP	pf 9	13		z100	69	69	69	-½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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O—O—O

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices February 17

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4⅝	2⅞	AICPh				1	2¼	2¼	2¼	
16⅛	15½	ALLab	n			103	15½	15½	15½	
6½	1½	ATI				71	1⅝	1⅝	1⅝	
12¼	4	AcmePr				38	4	4	4	
14¼	6¼	Action	s		7	217	11½	10⅞	11	−⅛
12	6⅛	Actona	.11	1.3	25	64	7⅝	7½	7½	
6½	1½	Actn	wt			13	2½	2½	2½	
8	1⅛	AdmRs				53	2⅞	2⅞	2⅞	
30⅞	17¼	AdRusl	s.10	.6	11	45	18¼	17⅞	17⅞	−¼
28⅞	15	Adobe	.24	1.2	14	105	20¼	19⅞	20	+⅛
5⅛	2½	AegisCp			12	209	3⅝	3½	3½	−⅛
7	4	Aeronca			7	27	4⅝	4⅞	4⅝	
32½	17⅞	AfilHsp	.40	1.7	10	7	23½	23¼	23⅜	−¼
45	28¼	AfilPub	.80	2.1	15	2	39	39	39	
17½	8¼	AfcSe	.08e	.6	8	28	10½	10½	10½	
16½	5⅞	AirExp				35	6⅝	6⅝	6⅝	
6⅛	4	Alamc	n		9	22	5	4⅞	5	−⅛
23⅛	10⅞	AlbaW	.15e	1.1	7	27	13⅛	12⅞	13⅛	+¼
10½	5⅞	AlphaA	.48r	6.0		13	8	8	8	−¼
28⅛	14¼	Alphaln	.05	.4	19	41	14⅞	d14¼	14⅛	−½
2⅞	1⅛	Alter				43	1⅛	1⅛	1⅛	
11-16	⅛	Altex	wt			10	⅛	⅛	⅛	
37	31	Alcoa	pf3.75	12		z100	32½	32½	32½	+½
32½	11⅝	AlzaCp			118	105	13⅝	13	13	−⅝
29⅞	14⅞	Amdhl	s.20	1.2	17	784	16⅞	15⅞	16⅛	+¼
25⅞	9⅛	Amedco	.08	.6	17	42	14⅛	13⅞	13⅞	−½
7½	4	AmBlt	.15	2.7	15	10	5½	5½	5½	
9⅞	2⅛	AmCap			146	74	8⅞	8⅛	8⅞	+1
39	28¼	AContrl	.92	3.0	9	x1	31	31	31	+¼
44¼	15⅛	AExp	wt			164	16⅛	16	16⅛	+⅛
12⅞	5⅞	Alsrael			2	44	6	6	6	
19⅞	12⅞	AMzeA	.52	3.2	22	19	16⅛	16½	16⅛	
18¼	12⅞	AMzeB	.52	3.2	22	3	16⅛	16⅛	16⅛	−¼
19¼	2⅛	AMBld	5			383	2⅞	2⅛	2⅞	
38½	27⅛	AMotin	.30	1.0	11	70	30	29⅞	29⅞	−⅛
20⅛	11⅞	APrec	.28	1.7	15	11	16⅞	16⅞	16⅞	
[illegible]										

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

OVER-THE-COUNTER Nasdaq National Market closing prices

Closing prices February 17

Stock		Sales (Hnds)	High	Low	Last	Chng
AFG s		61	18¼	17½	17½	-½
AGS		237	23¼	23	23	+½
AIA		72	6½	6½	6½	-¼
ASK C s		24	15	14½	14½	-½
AamR s		140	16½	16	16½	+¼
Acadn s	1	12	12⅝	12⅝	12⅝	
Accelrn	.05e	59	11½	11½	11½	
AcuRay	16	653	17½	16½	16⅞	+⅛
AdacLb		536	6⅛	6	6	-⅛
Adage s		107	11¼	10¾	11	+¼
AdvCir		66	6⅞	6½	6½	-¼
AdvSy s		17	16¼	15½	15½	-½
AffBsh s	.80	126	16¾	16½	16¾	+¼
AgcyRt		15	22¼	22	22	-¼
AirWsc		15	14½	14	14	-½
AlexBld	2.40	93	54	53½	53¾	-⅛
Algorex		4	26½	26½	26½	+¼
AllegB s	.40	85	16½	15¾	16	+¼
AldBn s	.76	28	23	22¼	22¾	
Altos		85	10	9¾	9¾	
Amcst s	.40	358	22¼	21¾	22¼	+¼
AWAirl		160	10⅝	10½	10½	-⅛
ABnkr	.50b	69	12¾	12¾	12¾	-¼
ACarr s		44	15¼	15¼	15¼	-¼
AFdSL s	60	135	20½	19¾	19¾	-¾
AFletch	1 40	7	30¾	30½	30½	
AGreet	.42	x1856	23⅝	22⅞	23¼	-⅜
AInL1 s	16	126	11½	11⅛	11⅛	-¼
AmGp s	.44	5494	58	57	57½	-½
AMS		74	19¼	18½	19¼	+½
ANtIns	86	15	22⅛	22⅛	22⅛	-⅛
AQuasr		638	6½	6⅜	6½	+⅛
AmSoft		45	16½	16	16½	+¼
ASolr s		154	4⅝	4⅝	4⅝	
ASurg		379	3¼	2⅞	3	
Amgen		129	6½	6⅛	6⅞	+⅛
Anacmp	.10	96	11⅛	11	11	-⅛
Anlogic s		56	19½	19½	19½	-½
Analyl s		184	8½	7	7¼	-1½
Anaren		112	9⅝	9½	9⅝	
Andrew		15	34½	34¼	34¼	-¼
Andros		35	9½	9½	9½	
Apogee s	.12	52	11	10½	10⅞	+⅛
ApolloC		1285	28½	27½	27½	-1
AppleC		6011	26	25	25	-⅛
ApldMr		36	29½	29¼	29½	
ArgoSy s		25	15¾	15½	15¾	
Anzb	.80b	46	18¼	18	18¼	+⅛
Ariel		21	7	6⅞	6⅞	
AsdHt s	12	15	13	12½	12¼	-⅝
Astrosy		150	7⅝	7⅜	7½	+⅛
AtlntB s	.60	57	24½	24½	24¼	
AtlamR s		40	26	25¾	26	
AtSeAir		71	9¼	8⅞	8⅞	-½
Austron		112	5½	5⅛	5⅛	+⅛
AnwdOc		4	17½	16½	17½	
AutTrT		63	18⅞	18⅞	18½	
Autmtx		239	16¼	15½	15½	-¾
Auxton s		29	13¼	12¼	12¼	-¼
AvntGr		52	19¼	17¾	18¾	+¼
Avntek		1884	19⅝	18¾	19½	-⅜
Avatar		3	14½	14½	14½	
B–B						
BPI Sy s		99	7½	7¼	7½	
BRCom		396	18½	17½	17½	-¼
Bncoheo	1	x57	30½	29⅞	30	
BcpHw	1.24	10	23¾	23¾	23¾	+½
Banctec		89	11¼	11	11¼	+¼
BangH	1 60	94	18	17½	17⅞	+⅝
BkNEn	2 60	51	47½	45⅞	45⅞	
Banta s	56	4	18½	18½	18½	
BasTn A	15b	2	12	12	12	+¼
BasAm		120	11¼	10⅞	10⅞	-⅜
BassttF s	80a	10	38¼	37¾	38	+¼
BsetWk	80e	101	30	29½	30	
BayBks	2	203	36	35¼	35⅝	
BeBlnr s		228	13¼	13	13	-½
BerzLb	1	436	29¾	29¼	29½	+½
BevHS s		1302	27	26	26¼	
Big B s		7	11⅝	11½	11⅝	+½
BigBrie		1036	3½	2½	3	+⅛
Bilings		569	11½	10	11½	+1
BioRes		207	11⅞	11½	11½	-⅛
Biochm		64	3½	3⅛	3⅛	
Biogen		237	12¼	11½	11½	-¼
Biosrc		17	6¼	6½	6⅛	-⅛
Birdinc		232	10¼	10	10½	+¼
BishG s		6	8½	8½	8½	-⅛
Bliss s	t	517	3⅛	3⅛	3½	
BobEv s	.26	836	19	18¾	19	-¼
BstnDig		2	12½	12½	12⅞	+½
BraeCp		45	12¼	11½	12¼	+½
Brenco	24	34	7½	7	7½	+½
BrstlC s		42	12¼	12½	12¼	+½
BrwTom		271	5½	5⅛	5⅛	-⅛
Bruno	24	58	14½	14½	14½	+½
ButlCt		131	19½	18	18½	-½
BMA	1.94	6	38¼	38¼	38¼	
C–C						
C COR		121	9½	9	9¼	+¼
CP Rh s		531	13	12½	13	
CBT	1 64	48	29	28¾	28⅞	
CFS s	40	x11	23¼	23¼	23¼	+¼
CGA C		89	10	9½	9½	-½
CPI		1	21½	21½	21½	-½
CPT		375	12¼	12	12	-¼
CSP		123	10¾	10½	10½	
Cache	t	191	7½	7½	7½	
CACI s		135	6⅝	6⅛	6¼	-¼
Calfed		1225	16½	15⅞	16	-½
Calprc		27	6½	6	6½	+½
CalMic s		654	15¼	14½	15¼	
CallonP		123	7½	7⅛	7½	-⅛
Calny s	16	7	9¼	8¾	9¼	+¼
CareEn		72	9½	9	9	
Carolin		110	8	7⅞	8	+⅛
Cencor n	t	1	14½	14½	14½	
CntrBc	1 80	406	25⅛	24¾	25¼	
Centcor		11	13¼	13	13¼	
Centran	40	440	23	22¼	22¼	-¼
CerbA s	.10	78	9½	9	9½	
Cetus		177	10⅝	10½	10⅝	+¼
ChrmS	25	1062	17	16½	16⅝	-⅛
ChkPnt s		59	12¼	11¾	12	-¼
ChkTch		60	7	6¾	7	
ChLwn s	32	66	25¼	25½	25½	-½
Chemex		30	5⅝	5½	5½	
ChiChi s		3084	18	16⅞	17¼	-⅝
Chomer		107	16¼	16½	16¼	
Chronr s		71	18	16½	18	+1½
Chubb	3 12	485	65¼	64½	65⅛	+1⅛
Chrm s	.06r	109	14½	14	14½	
Cintas		30	21	21	21	
Cipher s		423	17	16	16	-¼
CtzSGa	64	x384	15⅛	14⅝	14⅝	-¼
CtzFid	1 38	39	30	29⅞	30	+⅛

Stock		Sales (Hnds)	High	Low	Last	Chng
CtzUt A	t	55	28	27	28	+¼
CtzUt B	1 80	14	25¼	24½	24½	-½
CityFd s	.05e	416	10	9¾	9⅞	+⅛
Clark s	.80	3	25¼	25¼	25¼	
ClayHo		28	12	11½	12	+½
CobeL s		122	13	12⅞	12¾	-¼
Coeur	t	30	20¼	19¾	20	
Cogenc		181	3¾	3½	3½	-¼
Cohrnt s		383	18¾	18	18½	+¼
ColabR		558	6⅞	6¼	6⅞	
Colagen		85	10½	10¼	10½	+¼
Colins		47	6½	6¼	6½	+½
ColLfAc	.84	3	24¾	24¾	24¾	+¼
ColrTle		131	15¾	15	15½	+¼
ColoNB	.80	21	21⅛	21⅛	21⅛	+¼
Comair		32	12½	12	12½	+½
Comcst	16	67	19¼	18¾	18¾	
Cmdia s	.12	1983	17¾	16¾	16¾	-1
Comdial		1043	8	7½	7⅞	-⅛
CmceU	.80	37	23	22¾	23	
CmlShr	.50b	29	15½	15	15½	+½
ComAm		181	5¾	5½	5⅝	-⅛
Comind	.34	453	19	18½	18¾	
ComSy s		130	16½	15¼	15¾	
Compac		3567	8⅞	7⅞	8⅞	+1⅛
CompC	.32	664	20½	19⅝	20⅛	+¼
Compcp		115	3⅝	3½	3½	
Compus		554	5⅛	4⅝	5⅛	+½
CCTC		197	14	13½	14	-½
CmpA s		65	20¼	19¾	20¼	+½
CptAut		12	8⅛	8⅛	8⅛	
CmpDt	.08	25	12	11½	11½	-¼
vjCmpD		191	1-16	½	⅝	
CmpH s		10	11¼	11	11	-¼
CmpM s		323	6½	6	6¼	-⅛
CmpLR	.12	22	17½	17	17½	
CmpPd		79	14¾	14¼	14¾	+¼
CmpRs	.07e	36	5⅞	5½	5½	+⅛
CmTk s	.05	39	13¼	13	13¼	+¼
CptUs s		74	7½	7	7½	+½
Cmputn		128	6½	6	6½	
Cmsrve		49	6	5⅝	5⅝	
Comshr		23	8⅞	8⅞	8⅞	
Cmpshp		39	8½	8¼	8⅜	+⅛
Comten		89	4¼	4⅛	4⅛	
Concpt		52	9⅞	9½	9⅞	+⅛
CnCap	3.36	128	27⅞	27⅞	27¾	-½
CnCapS	3 36	151	27½	27	27¼	
ConPap	2.20	96	50½	50¼	50½	+¼
Consul		68	11⅝	11¼	11½	
Cntinl s		121	7	6½	6⅞	-⅛
CtLasr		4	9	8⅞	9	
Convgt		7306	18⅞	15⅞	16	-2½
Conrse		85	17¼	16¾	16¾	
Coors B	.40	4120	17⅝	16	16¼	-1
Cordis s		341	18¾	17⅞	18	
CoreSt s	1.86	673	32	31⅝	32	+½
Corvus		226	7	6¾	6¾	-½
Cosmo		23	14	13¼	13⅛	-⅝
CrmeC		630	11	10½	10⅞	-⅛
Cronus		276	11½	11¼	11¼	-⅛
CrosTr	.80	384	25½	25	25	
CwnBk		14	14½	14	14½	
Crump	.40	37	11	10½	11	+½
Culum s	.56	93	13	12⅞	13	
Cycare		2	18	17¾	18	+¼
D–D						
DBA s		35	10½	10	10¼	
DasySy		188	25	24	24½	
DmnBio		105	8¼	7¾	8¼	+½
DartDg	13	28	60	57	57	
Datcrd	24	58	13½	13½	13½	
DtaDs s	24	67	13½	13¼	13½	
Dta IO s		767	13¼	12¾	13	
DtSwtc s		30	22½	21	22	
Datscp		23	13½	12½	12½	-½
Datum		36	6½	6¼	6⅞	+⅛
Dawson		9	9⅝	9⅝	9⅝	-½
DebShp		284	14½	14¼	14½	
DecisD		271	9½	9⅛	9⅛	+⅛
DeklbA	72	886	25½	25	25⅛	+⅜
DeltaDr	.03e	38	4⅝	4⅛	4⅝	+⅛
Denelcr		5	8	7¾	8	+⅛
DentM s		455	8½	7¾	8½	+½
DiagDt		243	4¾	4⅝	4¾	+⅝
DiagP s		58	9½	8¾	9	-½
Diasonc		1834	6⅛	5⅞	5⅞	-⅛
Dicmd s		92	11	10¾	11	
Diglog		39	6⅛	6¼	6½	-¼
DigtCm		39	24	22½	23	-1
DigtS s		617	23¾	22½	23	-½
Dionex		3	23	23	23	
DistLog		44	10¾	10¼	10⅝	
Dvfood		250	14⅝	14⅝	14⅝	-⅛
DocuOl		993	10⅝	10	10½	+⅛
DolrGn s	.16	876	11⅝	11	11¼	+½
DomBs	1.08	44	21⅞	21¾	21⅞	
DoylDB	.88	143	16	15¾	15¾	-¼
Drexlr		99	15½	14	15⅛	+1½
DreyG s		521	18	17½	18	
DuckAl	.40	87	21¾	21¼	21½	
DunkD	.28	113	19⅝	19⅛	19⅝	+¼
Dunron	.56	58	13½	13¼	13¼	
DurFil	.14	26	15	14½	14½	
Dynscn	t	60	8¾	8½	8¾	+¼
Dyntch		156	22½	21¾	21¾	-½
Dysan		603	16½	15	15¾	-1
E–E						
EH Int		9	3⅛	2⅞	2⅞	-¼
EaglCpt		563	6⅛	6	6⅛	-⅛
EarlCal		20	6½	6½	6½	
EconLb	1.04	127	23½	23¼	23⅜	-⅛
ECmp s	.05t	65	10	9½	9½	-¼
ElPas	1.40	387	12¾	12⅝	12⅝	+⅛
ElanCp		16	10	9¾	10	
ElcBio s		483	8¼	7¾	7¾	-½
ElCath s		76	11⅛	11	11½	+¼
ElsNucl		326	8½	8	8⅛	+⅛
ElcRnt s		88	16½	16	16	-¼
ElMod		64	13½	13	13	-½
ElctMis		8	10¼	10	10¼	+¼
Elecsp s	.08	271	17¼	16¼	17¼	+½
Elscnt		693	16	15	15¼	-½
Emulx s		129	36⅝	35¼	35¼	-¼
EngConv		224	36¼	35¼	35½	+¼
EngRsv		301	8⅝	7½	8	+⅜
EnzBi s		75	17	16¼	16¼	-½
EqtOil	20	65	7⅜	7⅛	7½	
EvnSut		530	19	17½	18	-1¼
ExcalT		36	4⅛	4	4⅛	
F–F						
FMI		761	6⅝	6⅛	6⅝	+⅛
FrmF s		15	14⅛	14	14⅛	
FrmG	1.52	449	40⅞	40¼	40¼	-¼

Stock		Sales (Hnds)	High	Low	Last	Chng
Ferofu		67	8⅞	8	8⅞	
Fidicor	2 20	221	39¾	39⅜	39¾	+⅛
Figgie	.68	9	23	22¾	22¾	-¼
Fingmr		359	5¾	5⅝	5⅝	
Finigan		267	7⅞	7	7¼	-⅜
FtATnn	1	31	20½	20⅛	20½	+¼
FtBkSy	2.96	52	52½	52¼	52½	
FCtyFn	.44	171	5⅝	5⅜	5⅜	-½
FDataR		75	12	11½	11½	-½
FExec s		1891	12¾	12¼	12⅜	-¼
FtFdAz		20	12⅞	12½	12½	
FtFlBk	.36	155	18¾	18⅝	18⅝	-⅛
FJerNtl	1 80	8	25¾	25½	25¾	+¼
FRBGa	.80	61	26½	26⅛	26¼	
FSvWis		304	12	11	11	-1
FtUnCp	1.36	1187	39¾	39¼	39¼	-⅛
FlaFdl		50	15	14⅞	14⅞	-⅛
FlaNFl	.95	2	38½	38½	38½	-½
Flurocb	.16	45	14⅛	13⅞	13⅞	
Fonar		534	5⅛	4¾	5	+⅛
ForestO	1	40	24½	24¼	24¼	-¼
FormS		390	4⅝	4⅛	4½	-⅛
Forum s	.06b	404	5⅝	5¼	5¼	-⅜
FosdM s		577	10½	10	10⅛	-½
Foxmyr		31	22½	22¼	22½	+¼
Fremnt	.48	1953	12½	12⅛	12⅛	-⅛
FulrHB	.56	35	30½	30⅜	30½	
G–G						
GTS	t	72	11⅛	10¾	11⅛	+½
Galileo		19	11½	11½	11½	
Garcia		177	6⅛	5¾	5¾	-⅜
Gemch s		451	32	31¼	31¼	+¼
GnAut		32	10¼	10½	10¼	
GnHme		30	10¼	9½	9½	
GenetE		11	4½	4	4⅛	+⅛
GenetL		77	6¼	5¾	5¾	-⅛
GenetS		322	7⅛	6⅞	6⅞	-¼
Genex		483	13½	12⅞	13¼	-⅜
GibrSv		174	25¾	24½	25¼	+½
GibsnG	.07e	123	19½	19½	19½	-¼
GdTaco		14	5⅞	5¼	5½	+⅛
GouldP	.68	28	18¼	17½	17½	
Granre		66	7½	7⅜	7⅜	-½
GrphSc s		2127	6½	6	6½	
GtAFdl		559	11½	10⅞	11	-¼
GtOutd		7	11¼	10⅞	11¼	+½
GBayCs		25	22	21½	22	
GlfNuc		27	3¼	3	3¼	+⅛
H–H						
HBO s	.10	829	26¼	26¼	26¼	-¼
HCC	.06e	53	11¼	11	11¼	+⅛
Hadson		443	4⅝	4¼	4⅝	+⅛
HaleSy		2	7	7	7	+½
HamlPr	.10	319	16½	15	16½	+1
HarpGp	.30	123	31½	30	30¼	+¼
HlthCr s	.16b	35	13¼	12½	12½	-¼
Hlthdy s		387	11½	10⅞	11	
HechB s	.10	82	17¼	16½	17¼	-½
HechgA	.14	122	16¾	16¼	16¾	+¼
HelenT s		110	9	8⅞	8⅞	-¼
Helion		24	17½	17¼	17¼	
Helio wt		18	12	11½	12	+¼
Helix		129	20	19¾	19¾	+¼
Hogan s		115	15¼	14¾	15	+¼
HmeDp s		961	18½	18	18¼	-¼
HmFSD		383	14¼	13⅞	13⅞	-¼
HomeHl		536	7	6⅞	6⅞	-¼
HonInd	.56	18	20¾	20⅜	20½	-½
Hoover	1	520	21¼	20⅞	21¼	+½
HwBNJ		54	15½	14⅞	14⅞	
HughS s	.28	1	19¾	19¾	19¾	-⅛
HungTg		11	8	7⅞	7⅞	-½
HntgBn	.48b	7	30	29¾	29¾	-½
Hurco		31	14½	14¼	14½	
Hybritc		122	16¾	16	16¾	
HydeA s		9	9¼	9	9	+½
HytekM		36	10½	9¾	9¾	
I–I						
IMS Int	.24	169	24⅛	23½	23½	-½
IPL Sy		28	5	4¾	4¾	-¼
ISC		222	11⅛	11	11	-¼
Icot		337	3⅞	3⅛	3⅞	+⅛
Imuno		67	4½	3⅞	4¼	-⅜
Impell	.40	x29	16	15¾	16	
IndraN	1.30	27	24¼	24	24¼	+⅛
IntDsp		316	8	7¾	7⅞	-⅛
InfoRs s		160	23½	23	23½	
Infrm		105	29½	29	29½	+½
InstNt s		16	18¼	18	18¼	+¼
Intecm s		564	14½	13½	13¾	-½
Intel s		12947	32¾	32	32¼	
IntlSy s		525	15½	15¼	15½	
IntrTel		62	3¾	3½	3⅝	
Intgph s		3574	40¼	39	40	+¼
Intmgn		371	4¼	3⅞	4	-½
Intmec s		77	14¼	14⅛	14⅛	-⅛
InCapE		23	7⅛	7	7	-½
IntClin		134	20⅜	19¾	20¼	+¼
IGame		43	14⅝	13⅞	14¼	-⅛
InKing s		186	14⅝	14	14½	+¼
IntLse s		119	12¼	11¾	12	-¼
IntMobl		246	8⅝	8⅛	8⅝	+⅝
IRIS		201	2⅝	2½	2⅝	+⅛
IntTotal		70	3¾	3½	3¾	+¼
InTotl wt		20	1⅝	1⅝	1⅝	
J–J						
JBRest	.20	55	11⅞	11½	11⅞	+⅛
Jackpot	t	65	5¾	5½	5½	
JackLf s		44	22¼	21¾	22	+⅛
Jamsby	.60	20	17¼	16½	17¼	-⅝
JefMart		387	6⅝	6¼	6⅜	+¼
Jerico s	.12	79	14½	13¾	13¾	-⅛
Jiffy s		119	2⅛	2⅛	2¼	-⅛
JhnAm	.30a	16	9¾	9½	9¾	+⅛
Jonicbl	t	22	5¼	5⅛	5⅛	-¼
Jonel A	t	59	4¼	4⅝	4¼	+⅛
Josephsn	.50	72	11⅝	11½	11½	
Justin		2	22	22	22	
K–K						
KLA s		472	21¾	21⅝	21⅞	-⅜
Kaman s	.48	101	21½	20	20¼	+¼
Karchr		69	23½	23	23	-½
Kasler	.60r	33	17¼	17	17¼	+¼
KelyJn s		2775	7⅛	6⅝	7⅛	
Kempr	1 80	31	38	37¼	37¼	
KyCnLf	.70	1	20⅜	20⅜	20⅜	-⅛
Kevex		17	7½	7	7	-½
Kindr s	.09	833	16⅝	16⅛	16⅛	-¼
Kratos		74	4⅜	4¼	4⅜	
Kroy	.06	88	21⅛	20½	21	-⅛
Kruegr s	.52	72	16½	16¼	16¼	-½
Kulcke s	.08	131	21¾	21¼	21½	-⅛

Stock		Sales (Hnds)	High	Low	Last	Chng
L–L						
LDBrnk		32	9⅝	9½	9½	-¼
LSI Lg		705	16	15½	15½	-¼
LTX s		25	15¼	15½	15½	-½
LaZ By	1.04	1	39¾	39¾	39¾	-¼
Ladlw s	.12	34	10½	10	10½	+½
LamaT	.60	7	15	14½	15	
Lancast	.68	12	17	16½	16½	-½
LncSF	.60	6	13¼	13¼	13¼	-⅛
Langly	.20e	57	7½	6⅞	7	-⅛
LeeDta		120	18	17½	17½	
LewisP	.28b	10	9¼	9	9¼	
Lexidta		47	7½	7¼	7½	-⅛
LiebrT s	.05e	14	18¾	18½	18¾	
LiIlnws	.24	9	37¼	37	37	
LinBrd s		249	18¼	17⅞	18	
LincTel	2	4	25⅜	26½	25½	
LzClab s		34	25½	25⅛	25½	+½
LongF	1.20	130	27⅞	27	27	
Lonmr		117	21½	20½	20¾	-¼
Lotus		254	34½	33¼	33¼	-1½
Lynden		23	23½	23½	23½	
Lypho		222	17½	16	16¾	+½
M–M						
MCI s		15957	11½	10⅞	10⅞	-½
MDC	.24	1101	10⅝	10¼	10½	-½
MPSI		6	20	19¾	20	-½
MachTe		58	8¾	8⅛	8⅜	
MackTr		2130	17¼	16½	17¼	-⅝
MgtSci		1324	18	17¼	17⅜	
Manitw	.80	11	20¾	20¼	20¾	+¼
MfrsNt	1.60	19	36⅝	36½	36⅝	-⅛
Masstor		1742	5¾	4½	5½	-¼
MrldN	1.36	6	35	34½	34½	-¼
MatrxS	.10	55	28	27⅞	28	
Maxwel		95	15	13½	13½	-1
MayPt		451	6¼	6	6¼	+¼
MaynOl		53	5⅛	4⅞	5⅛	+½
McCrm	.88a	521	30½	29½	30½	+½
McFarl		34	13⅞	13⅞	13⅞	
McQuay		66	13	12⅞	12⅞	
Medex s	.04	32	10¼	9⅞	9⅞	
Med 21		20	13¾	13½	13¾	
Megdat		58	10½	10	10	-¼
Mentor s		274	12¾	12¼	12½	
MercBc	2.88	107	38½	37¾	37⅞	-⅜
MrdBc s	2.20	9	31½	31	31	-½
Micom s		146	38	37¼	37½	
MicrMk		35	14⅛	13⅞	14⅛	+⅜
Micrdy	.06	65	7⅛	7¼	7⅛	
Microp		101	9¼	8¾	9¼	-¼
MicrSm		45	6⅛	5⅞	5⅞	-¼
MdStFd	.30e	24	21⅝	21¼	21¼	-1
MidlBk	2	114	44⅝	44¼	44½	
MdwAir		135	7⅛	6¾	6⅝	-⅜
MowCs		1120	7½	6½	6⅝	-½
MillTch		75	4⅛	4⅛	4⅛	
MillrHr s	.36	x427	22¾	22½	22½	-¼
Millpr	.40	481	30½	29⅝	29⅞	-⅛
Minstar		225	23¾	22¼	23¾	+½
MobiC A		5	6⅛	6⅛	6⅛	-⅛
MobiC B		65	7¼	7	7	-⅛
Molecir		136	12½	11⅞	12	-⅞
MonCa	1.40	119	33⅛	32½	32¾	
Monchk		185	8⅝	8	8½	+¼
MontCl		2	14⅞	14⅞	14⅞	-⅛
MonAnt		13	12¼	11¾	11¾	-½
Moncat s		789	21¼	19⅞	20	-1½
MonuC	1.20	23	24⅛	23⅞	23⅞	-⅛
MorFlo	.01	9	13⅞	13⅞	13⅞	
MorKg	.03e	13	9½	9¼	9½	-¼
Morrsn	.40b	168	14⅛	14⅛	14⅛	
Moseley		105	5⅛	5⅛	5⅛	+½
MotClb	.10	66	13¼	12¾	12¾	-½
Multmd	.60	292	31¾	31	31¼	-¼
N–N						
NCA Cp		13	12½	12¼	12½	+½
NMS		188	3¾	3⅛	3½	+¼
NtCity s		8	27¼	27	27	
NtCptr s	.20	28	16½	16	16	
vjNDatC		60	1⅛	1⅛	1⅛	
NData	.40	684	20	19⅛	19⅛	-½
NMicr s		258	9⅝	9½	9⅝	
NTech	t	32	5⅜	5½	5¾	
NatrBty		73	9⅛	8⅞	9	
Naugle		78	15¼	14¾	15¼	
NelsnT s	.16	11	11⅞	11⅞	11⅞	+½
Nelson s		102	14	13¼	13½	-½
NwkSec		10	6½	6⅛	6⅛	-¼
NtwkS s		1524	19¾	18¼	19½	+⅜
NtwkEl		175	5⅛	4½	5⅛	+⅜
Nwprt s	.08	315	26¼	25¾	26¼	+1
NwpPh		292	6	5½	5¾	
NiCal g		191	6½	6⅛	6⅜	-⅛
NickOG		58	4½	4⅛	4½	+¼
NielsA s	.68	181	31	30	30½	+¼
NielsB s	.68	185	31½	30½	31	+½
Nike B		830	12¾	12⅝	12¾	
Nordst s	.28	194	34¾	34½	34½	-¼
Norstan		171	7⅛	7	7⅛	
NAtln s		52	16½	15¾	15¾	-⅝
NwNG	1.36	47	13⅛	12⅞	13	-⅛
NwNLf	1.50	157	37½	37	37¼	-¼
Novmtx		1	7	7	7	
Novell s	.76	94	33	32⅞	32⅞	
NuclPh		1523	9⅛	9	9⅛	
Numerx		58	12¼	11⅞	12¼	
NuMed		13	10½	10½	10½	
O–O						
OCG Tc		59	4⅛	4⅛	4⅛	-⅛
OakHil s		150	5½	5¼	5½	+½
Oceaner		144	7⅝	7⅛	7½	
Ocilla		25	16½	16	16½	
Odetics		2	11	11	11	-1½
OffsLog		18	8	7⅞	8	
OhioCa	2.52	79	44	43½	43½	-½
OldRep	.90b	5	32⅝	32⅛	32½	
OldSt plC	2.60	66	20½	19⅞	20½	+½
Onmnd		185	1⅝	1½	1⅝	+⅛
Onyx		828	5⅞	5⅜	5⅞	+½
OptcC s		74	19½	18½	18½	-¼
OptcR s		346	26½	25½	25½	-½
Orbanc		27	16¼	15⅞	15⅞	-⅞
Orbit s		492	6⅛	5¾	5⅞	-¼
Oshmn	.20	45	20	19¾	20	+¼
OttrTP	2.56	61	25¼	25	25	-½
OwenMnr	.32	32	13½	13⅛	13½	+¼
Oxoc		27	8⅞	8⅛	8⅝	
P–Q						
PNC	2.12	36	42½	42¼	42¼	-¼
PabstB s		163	7	6⅞	7	
PacTel	.72	143	16	15¾	15½	-½
PacoP s		79	16¾	16¼	16¼	+¼

Stock		Sales (Hnds)	High	Low	Last	Chng
[illegible] s	.12	56	6½	6	6½	
[illegible]		27	15¼	15⅛	15⅛	-¼
[illegible] s		234	14½	13¼	14½	+1
[illegible]		142	[illegible]	[illegible]	[illegible]	-½
PaulP		7	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s	.50	x57	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		38	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s		438	15⅝	15¼	15⅝	[illegible]
[illegible]		145	[illegible]	[illegible]	[illegible]	
Percept		38	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1	119	23¼	[illegible]	[illegible]	
[illegible]		34	[illegible]	[illegible]	[illegible]	[illegible]
PSFS		2528	[illegible]	[illegible]	9	
[illegible]		32	5	[illegible]	[illegible]	
[illegible] s		452	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	456	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	.22	129	[illegible]	[illegible]	[illegible]	
[illegible]		1179	4	[illegible]	[illegible]	[illegible]
[illegible] s		92	[illegible]	[illegible]	[illegible]	[illegible]
Porex		247	[illegible]	[illegible]	[illegible]	
[illegible]	.02	14	[illegible]	[illegible]	[illegible]	
[illegible]		6	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		51	[illegible]	[illegible]	[illegible]	[illegible]
ProCrs s	.12	19	[illegible]	24½	24½	[illegible]
[illegible]		56	[illegible]	8	8¼	[illegible]
[illegible] s		56	[illegible]	6	6	[illegible]
[illegible]		75	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		29	22½	22¼	22¼	
[illegible]	12	245	[illegible]	[illegible]	[illegible]	
ProgC s	.16	31	33	32½	33	[illegible]
[illegible]	1.20	97	13	[illegible]	13	[illegible]
[illegible]		111	[illegible]	[illegible]	[illegible]	
QuakC	.68	69	25	24½	24½	
Quantm		1523	17¼	16½	16½	[illegible]
QuestM		118	5½	5	5½	[illegible]
[illegible]		37	7½	7½	7½	[illegible]
[illegible]		5	16	15⅞	16	
QualSy s		16	13¼	13¼	12½	[illegible]
Quotrn s		1704	14½	14	14½	
R–R						
RPM s	.56	110	14	13¾	14	
RadSy s		57	14⅛	13¾	14	
RadTch		460	15⅝	15½	15¾	-¼
Radice		125	8¾	8	8	-⅛
Ragen s		104	5	4⅞	5	
Rainr	1.76	434	37⅝	37⅝	37⅝	+½
Ramtek		43	8¼	8⅛	8¼	
RayE s	.24	14	14⅛	14½	14½	
Reeves		62	10½	10	10½	-⅛
RgcyE s	.20	163	10	9⅝	9⅝	-⅛
Renao		29	11½	11⅛	11⅛	-¼
Rehab		18	10⅛	10	10	-½
RpAuto	.44	143	9⅛	8	8	-1⅛
RpHlth		5	11⅛	11⅛	11⅛	+⅛
Reuter		29	12⅛	12⅛	12⅛	-½
Rexon		114	9⅞	9½	9⅞	+⅛
Rralm		11	8½	8	8½	+⅛
Rival	.80	65	10⅛	10½	10⅛	+⅛
RoadS	2	876	64½	64	64	-½
Rockcor		116	11½	10⅞	11¼	+¼
Rouse	.72	201	29⅞	29½	29⅞	+¼
RoyBGp		2	6	6	6	
RoylRsc		132	11½	10⅞	11	-½
RyanFa		13	18	17½	17½	-½
S–S						
SCI Sy s		184	19½	18½	18¾	
SEI		83	20	19¾	20	+¼
SFE s	.68	13	17	16½	16½	-½
Safecd s		81	9	8⅞	8⅞	-½
Safeco	2.50	1450	60⅝	58½	59½	+1½
Schude		189	15½	14½	15	
StPaul	3	1075	60½	58½	59½	-¼
SalCpl		87	4½	4¼	4½	-¼
Samett		822	21⅞	21½	21½	-½
SanBar		1	7	7	7	-¼
Satelco		1	3⅛	3⅛	3⅛	
SavnF	.60a	37	42	41½	41½	-¼
ScanOc		153	6⅝	6½	6½	
ScanTr		24	15	14½	15	+½
Scherer	.32	65	13⅛	13½	13⅛	-½
Scimed		52	11½	10½	10½	-½
SciSft		25	17	16½	17	-¼
SciSyS		1	8½	8½	8½	
Scitex s		23	20½	19½	19½	-¼
SeaGal		424	9½	8⅞	9	-¼
Seagte s		5143	12¼	12	12¼	-¼
SecTag		6	5½	5½	5½	-¼
Seibel	.80	11	19¾	19½	19½	-½
Semicn		21	10½	10½	10½	
Sensor s	.05	2082	16⅝	16	16	
SvMer s	.28	823	14⅝	14	14½	-½
Svmst s	.95	148	28	27½	27½	
SvcFrct		4	8½	8½	8½	
SvCsk s	.12	211	15	14½	14½	-½
ShrMed	.40	242	27½	27	27½	
Shelby		512	14½	13¼	13½	-¼
Shoney s	.16	2244	20¾	20	20⅝	+¼
ShonSth		13	15⅝	15½	15⅝	+¼
SilcnG s		12	13	12¾	12¾	
SilconS		22	17⅝	17½	17⅝	
Silcval		57	21	20⅝	21	
Slicnx s		61	14	13½	13¾	-¼
Siltec		65	10	9½	10	
Simpln	.80	15	14½	14⅛	14½	+⅛
SoapOcn		150	12½	11½	11½	-½
SksCp		16	8½	8	8½	
Sizeler s		51	9¾	9½	9¾	-½
Skiper s	.06	118	10½	10	10	
SmithL		10	9½	9⅜	9½	
Society	1.60	24	31¼	30½	31¼	+¼
Softch s		198	9⅝	8½	9⅛	
SonrFd		69	31	30½	30¾	-½
Sovrgn	.10	29	8	7⅞	8	+½
Sovran	1.50	75	31	30⅝	31	+½
SpanA		16	5⅝	5½	5⅝	+⅝
Spacd s		15	12½	12¼	12½	
SpecCtl	.05	153	7⅝	7⅛	7½	+½
StafBld	.20	90	8⅝	8⅝	8⅝	
Standyn	1.80	170	41½	40⅞	40⅞	-¼
StdMic s		307	19⅛	18⅝	18⅝	-½
Standn s		18	8⅛	8⅛	8⅛	-⅛
StateGp	.15b	40	7⅝	7⅝	7⅝	-½
Steiger		121	9⅝	9½	9½	-¼
SternL s		3	5¼	4⅞	5¼	
StewStv		150	14⅛	13⅞	13⅞	-¼
Stratus		480	11¼	10¾	10¾	-½
StrawCl	1.80	84	73⅞	73½	73⅝	-⅜
Stryker		31	25½	24½	24½	-¼
Subaru	1.24	176	75¾	74	75	-1½
Summa		711	4½	3⅞	3⅞	-½
SupSky		1	9¼	9¼	9¼	
SuprEq		85	7¼	7½	7½	-½
Swnin s		17	7⅞	7¼	7¾	
Sykes		271	3⅝	3½	3⅝	
SymbT		235	8⅛	7⅞	8	-⅛
Syncor		33	6½	6¼	6½	+⅛
Syntech		92	10⅛	10	10⅛	
Syntrex		288	7⅞	7¼	7½	
Syscon	.24	65	14¼	13⅞	14¼	
SyAsoc		1	21¼	21¼	21¼	
Systin		42	14	13¾	13¾	
SystGn s	.01t	33	9¾	9½	9¾	
Systmt s	.01e	35	17¼	16¾	17	
SCT Cp		171	21	20¾	20¾	-¼
T–T						
TacViv s		24	8½	8	8	-¼
Tmpx	3	1631	54¼	51¾	52⅞	-1¼

Continued on Page 23

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 21

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅞	11	TandBr				13	11½	11	11½	+¼
15¾	7⅛	Tasty	.25	2.2	13	20	11¼	11⅛	11¼	+⅛
8	4⅛	Team	n			1	5½	5½	5½	
9½	4½	TchAm			45	26	4⅝	4½	4½	
27½	13⅞	TchSym			16	69	15½	15⅛	15½	
45⅛	23½	TechOp			14	4	36	35⅞	36	
13⅞	4⅛	TechTp			9	44	7⅛	7⅛	7⅛	-¼
33⅞	9⅞	Tchcm	s		34	69	11⅝	11½	11½	-⅛
19⅞	5⅛	Technl	s.24	1.6	11	15	14¾	14⅝	14⅝	+⅛
104	61	TejonR	.20e	.2	198	750	81½	78½	81½	+1⅝
31	5⅛	Telecn	n		6	414	6	5⅝	5¾	-⅛
39	25¼	Telflex	.40	1.5	19	x45	27	25⅞	27	+1¼
16⅞	10⅜	TelDta	.32a	2.9	12	19	11¼	11⅛	11⅛	
25	12¼	Telect				53	15⅜	14¾	14¾	-½
24½	3½	Telsph	n			734	4½	3⅞	4	-⅛
7⅝	4	Tenney	s		19	9	5⅛	4⅞	4⅞	-⅛
14½	7⅛	Tensor				16	10½	10½	10½	+⅛
12⅞	4½	TexAir			3	147	7⅞	7⅛	7⅛	-½
7⅞	3⅝	TexAE				23	5⅛	5⅛	5⅛	
27½	14½	Txscan			16	69	15⅞	15⅛	15½	
3⅞	2⅛	ThorEn			11	26	2⅛	2⅛	2⅛	
11⅝	3½	ThCB	s.16	1.9	7	4	8⅜	8⅛	8⅛	
9½	5½	ThDA	n			42	8⅛	8	8	+⅛
53	40½	Tndnm	1.60	3.3	13	7	48⅛	48⅛	48⅛	+¼
20⅞	8⅛	Tolwell			11	28	9⅝	9⅛	9⅝	
25⅞	12⅛	Topps	s.20	.8	12	17	25¾	25⅛	25¼	
12⅞	5⅞	Tortel				10	7	6⅞	6⅞	-⅛
14⅞	8⅛	TolIPt	g.24			42	11⅞	11⅛	11⅛	-⅛
4⅛	2¼	TolPt	wt			20	2½	2½	2½	
29	23	TolPt	pf2.88	11		1	26¼	26¼	26¼	-¼
6½	3½	Towner	.01	.3		27	3⅝	3⅜	3⅝	-⅛
2½	15-16	Trafgr				108	1¼	1⅛	1¼	+⅛
19¼	10½	TmsLx	.10	.9	8	34	11⅛	11	11⅛	+¼
5½	1½	TranEn				61	1⅞	1⅝	1⅞	
2⅞	5-16	TmE	wt			13	½	7-16	½	
25⅞	13½	TmsTec	.48	2.9	9	148	16¾	16⅛	16½	+½
16¾	6⅝	TnSM	.10e	.9	8	57	11½	10⅞	11	+⅛
7½	6¼	TriHm	n			1	6⅛	6⅛	6⅛	
8	5-16	3½ TubMx	s		4	92	3⅝	3¼	3½	+½
30½	11	Tuller	s.36	3.1	7	26	11⅝	11½	11⅝	
47¼	31⅝	TurnrC	2.20	5.0	8	33	44	43½	44	+½
8	4¼	Tyler	wt			43	4⅛	4½	4½	
U–U–U										
14½	9½	UlGrp				13	13¾	13⅝	13⅝	
17½	9½	URS	.40	3.2	20	18	12½	12½	12½	-½
6⅞	2¼	USR	Ind		6	11	5¼	5⅛	5¼	
24⅞	10⅝	Ultmte	s		17	105	15½	14⅝	14⅝	-½
1⅞	11-16	Unicrp	n			46	¾	11-16	¾	
¾	¾	Unicrp	wt			133	¾	¾	¾	
7½	6½	Unimx	pf			8	u8	7¼	8	+½
24⅞	14½	UAirPd	.54b	3.6	10	4	15⅛	14⅞	14⅞	+⅛
4½	2⅛	UFoodA	.10	6.5		31	2⅜	2⅜	2⅜	+⅛
5½	3-16	UFoodB			6	36	3	2⅞	3	
22¼	11¾	UMed	.77t	6.2	16	33	13½	12½	12½	-⅛

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25	14	USAG	wt			14	15½	15	15½	+½
12½	7	UnitV	n.94t	11	12	6	8¼	8⅛	8¼	+¼
19½	9¼	UnvCm			17	9	9½	9¼	9½	
9⅞	5	UnvRs				78	7⅛	7⅜	7⅛	
V–V–V										
16¼	13⅝	ValyR	1.60	9.9	6	1	16⅛	16⅛	16⅛	-⅛
42½	26⅛	Valspar	.80	2.5	9	2	32	32	32	+½
29½	10⅝	Vrbtm	.8		17	268	11½	11⅛	11⅛	
7	2⅞	Verit			11	48	4⅛	4⅛	4⅛	-⅛
21⅛	14⅝	ViAmC	.40b	2.2	9	1	18¼	18¼	18¼	-⅛
20½	7⅛	ViRsh				7	8⅝	8⅝	8⅝	-⅛
18⅞	13½	Vernd	.16	1.1	15	10	14	14	14	
9⅞	4⅛	Vertple	.10	1.6	14	24	6⅛	6½	6⅛	-¼
10⅛	4⅞	Viatech			75	1	6	6	6	
12⅞	7⅛	Vicon	s		14	13	8¼	8⅛	8¼	
15¾	5⅛	Vintge			11	7	6⅝	6⅛	6⅛	-⅛
15½	9⅞	Virco	.40r	3	8	16	12¾	12⅝	12¾	
11¼	6½	VisualG	.26	3.5		9	7½	7⅛	7½	+½
8⅞	5⅛	VolMer			10	2	5⅞	5⅞	5⅞	
19½	7⅛	Voplex	s.32	3.0	11	11	10¾	10½	10½	-½
17⅞	12½	VulcCp	.40	3.2	7	z4	12½	12½	12½	
W–W–W										
9⅞	5	WTC				12	7⅛	7⅛	7⅛	-⅛
26¼	12⅞	Waibr	s.24	1.4	12	14	17⅞	17½	17½	-½
42½	26	WangB	.12	.4	21	1488	28⅝	27⅞	28⅛	-½
17⅞	4⅞	Wards	s.06	.5	14	23	12½	12⅛	12⅛	-⅛
12¼	2⅞	WrnC	wt			121	3⅛	2⅞	2⅞	-⅛
15½	8⅝	WshHm			5	21	9½	9⅜	9⅞	+⅛
75¾	59	WshPst	.80	1.3	13	14	63¾	63⅛	63⅛	-⅛
22½	13⅝	WRIT	1.28	7.3	6	18	17⅞	17½	17½	-½
15⅝	9¼	Watsco	.30	2.1	15	6	14½	14⅛	14⅛	+⅛
12⅛	6¼	Wthfrd				60	7⅛	7⅛	7⅛	+⅛
26⅞	23⅛	Wthld	pf2.63	10		25	25⅛	25⅛	25⅛	-⅛
22¼	5⅛	Webcr	s		7	43	6	5⅛	5⅛	-⅛
7½	3¼	Wesman	.08	2.0	11	3	4	4	4	-⅛
16¼	10¼	WeldT	s.10	.8	28	1	12⅛	12⅛	12⅛	
13½	7	Weldtrn			9	17	7½	7¼	7¼	-¼
10¼	6¼	Wellco	.30	5.0		1	6	6	6	-⅛
9⅞	4¼	WelGrd			13	66	4⅛	4⅛	4⅛	
21⅛	5⅞	Wespac				16	7½	7⅛	7½	+⅛
16¼	10⅞	Wstbr	g.20		13	12	11⅝	11⅝	11⅝	-⅛
23⅛	9	WstSL	s.48	2.5	3	71	19	17⅞	19	+1¼
17½	3⅝	WhEnr			12	64	12¼	12⅛	12⅛	-¼
4⅞	2½	WhatChl				7	3⅛	3⅛	3⅛	+⅛
7⅛	3⅞	Wichita				15	4⅝	4⅝	4⅝	+⅛
10½	4⅞	WilcxG			25	79	8⅛	8⅛	8⅜	-⅛
4⅛	2⅞	WilsnB				32	3⅛	3⅛	3½	+⅛
47½	21⅛	Wincp	pd2.47	28		34	42⅛	41⅞	42⅛	-⅛
16	9⅝	Winkim	.50	3.8	10	4	13⅛	13⅛	13⅛	
24⅛	21⅛	Wntln	n			16	23	22⅞	23	+⅛
43½	36	WisP	pf4.50	12		z20	38⅝	38⅛	38⅝	-½
16½	7⅛	WkWear	.48	3.2	9	57	15⅛	14⅝	15⅛	+⅛

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
9⅞	5⅛	WwdeE	.44t	7.5		113	6	5⅛	5⅝	-⅛
16¾	14⅞	WWde	pf1.60	11.		35	16⅛	16	16⅛	
45¼	22⅞	Wrather	.05	.1		5	39¾	39¼	39¾	-⅛
9⅞	5	WrgtH	9		22	28	6½	6½	6½	
X–Y–Z										
19⅞	6½	YankO	s		10	155	14⅞	13½	14	+⅝
5⅞	4⅛	Yrdny	n.03e	.6	16	5	4⅝	4⅝	4⅝	
24⅞	9½	Zimer	.10	1.0	14	233	10⅜	9⅞	10¼	+⅝

NEW YORK CLOSING PRICES

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12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23⅞	11⅛	Winnbg	.10e	.9	16	210	11⅞	11⅛	11⅛	
12⅞	5⅞	WinterJ			21	63	7⅛	7	7⅛	+⅛
28½	22⅛	WiscEP	2.10	7.9	7	428	26⅝	26⅞	26⅜	
85	74	WisE	pf8.90	12.		z5250	75¾	74⅞	75¾	+¾
29½	23	WiscPL	2.48	9.4	7	23	26⅝	26¼	26⅝	+⅛
30½	22⅝	WiscPS	2.32	8.7	7	117	27¼	26⅝	26⅝	
39⅞	19½	Witco	s1.32	4.0	9	331	34	33⅛	33⅛	-⅜
29¾	14⅞	WolvrW	.48	3.1	9	31	15⅝	15⅛	15⅝	
43⅞	29½	Wometc	.44	1.0	27	x9	42⅞	42¼	42⅞	+½
29½	18⅞	WoodPt	.72	2.8	18	11	25⅝	25	25⅝	+⅜
39⅞	26⅜	Wolwth	1.80	5.7	9	908	31⅞	31½	31½	-¼
54⅝	37½	Wolw	pf2.20	4.9		2	44½	44½	44½	-½
7⅛	3⅞	WrldAr				8	4⅝	4⅝	4⅝	-⅛
57¼	43½	Wrigly	1.44a	3.0	9	14	48¾	48¼	48½	-1½
8⅞	4½	Wurlitzr				3	6	6	6	
25⅞	11¼	WyleLb	.24	1.4	27	401	17⅞	17	17¼	-¼
17¼	8¼	Wyly				34	10	9⅞	10	
22¾	14	Wynns	.60	3.4	10	30	17½	16¾	17½	+½
X–Y–Z										
52⅞	36⅛	Xerox	3	7.0	10	6580	43½	42⅛	42⅞	-¼
53⅞	47⅞	Xerox	pf5.45	11		52	50½	50⅛	50¼	-⅛
37	20	XTRA		2.4	13	5	27½	27	27	-½
34	21½	ZaleCp	1.26	4.6	11	2	27¼	27⅛	27¼	+⅛
21⅞	14⅛	Zapata	.84	4.5	9	427	19	18⅞	18½	-¼
52⅞	31⅞	Zayre	s.30	.9	11	581	34½	33⅛	33⅝	-⅛
38⅞	13⅛	ZenithR			31	1008	27¼	26⅛	26⅝	
27⅞	16	Zero	s.36	1.7	18	80	21⅛	20¼	21	+½
37⅞	24⅛	Zurnld	1.32	5.3	11	81	25½	24⅝	24⅞	-⅝

CANADA

1983-84 High	1983-84 Low	Stock	Feb. 17
30⅜	18⅞	AMCA Intl.	23
27½	18¼	Abitibi	25¾
20⅞	14⅞	Agnico Eagle	16¾
21	17½	Alberta Energy	18½
50¾	38⅛	Alcan Aluminium	42½
37½	24¾	Algoma Steel	27⅝
18¾	9½	Asbestos	9⅝
35⅜	25	Bank Montreal	26⅝
15⅝	10⅝	Bank NovaScotia	14¼
33⅝	22½	Bell Canada	30¾
19½	13¼	Bombardier	17¼
29⅝	16⅛	Bow Valley	23½
27	20	BP Canada Res	23⅛
41¾	19⅝	Brascan A	36¾
4.20	2.15	Brinco	2.30
14½	8¼	B.C. Forest	11⅞
33¾	23⅛	CIL Inc	30⅜
11¼	8	CadillacFairview	10½
41½	26	Campbell Red Lk	34½
18⅛	12¼	Can. Cement Pf.	15
33¾	22½	Can. NW Energy	30
30	16⅛	Can. Packers	27¾
50	30½	Can. Trustco	45¾
42	29⅛	Can.Imp.Bank	30¼
53¼	35⅞	Can. Pacific	45⅝
25¾	18	Can. Pac. Ents	22⅜
13¾	10⅛	Can. Tire A	11⅞
24¼	11⅝	Carling O'Kfe	20½
19⅞	14	Chieftain	16
64⅝	44¾	Cominco	58⅝
29	16	Cons. Bathst.A	26⅞
5.5	1.4	Copper Lake	2.55
5.00	2.96	Coseka Res.	3.90
10¾	6½	Costain	10¼
50⅞	27⅜	Denison Mines	39⅛
20⅞	8¾	Dofasco	19
26⅝	13⅞	Dome Mines	18
6⅞	3.25	Dome Petroleum	4.50
22⅝	16	Dominion Strs	19
34⅞	20	Domtar	32⅛
87	47¾	Falconbridge	62⅞
36¾	20¼	Genstar	25½
28¾	18½	Giant Y'knife	24¼
2.75	1.85	Gt. West Life	3.10
20¾	13⅛	Gulf Canada	16¾
21	14⅝	Hawker Sid. Can.	17⅛
25⅝	18¼	Hudson's Bay	22⅝
13¼	8¼	Husky Oil	10
38¼	26¾	Imasco	32⅝
41¼	27	Imperial Oil A	35¼
22¾	13⅝	Inco	16⅞
13¾	7¼	Indal	11¼
34	21¼	Int. Pipe	29⅛
38	19	LAC Minerals	32⅞
34⅝	24	Macmil. Bloedel	30⅝
16	8	Marks & Spencer	13
7⅝	3.70	Massey Ferguson	4.40
46¼	26½	McIntyre Mines	36
37¼	14¼	Mitel Corpn	14¼
28⅜	17¼	Molson A	19¾
63	50⅝	Moore Corp	50½
11¾	6⅛	Nat. Sea Prods A	8
28¾	19½	Noranda Mines	22¾
20⅝	12	Norcen Energy	16½
60½	27⅞	Nth. Telecom	44¼
9¼	6¼	Nova Alberta	6½
14½	6⅞	Numac Oil	12⅝
12⅞	6½	Oakwood Pet.	8¼
30¼	6¼	Pan Can Pet.	23¼
20½	9	Patino	10⅛
28½	19⅝	Placer Dev.	19⅞
21¾	12⅝	Power Corp.	18⅝
10¾	5⅞	QuebecSturgeon	8½
15¾	7¼	Ranger Oil	11
17	11⅞	Reed Stenhs A	12
20½	12½	Rio Algom	16⅛
35⅞	26¼	Royal Bank	31½
30	19	Royal Trust A	27
7¾	4.90	Sceptre Res.	5⅛
49¼	33⅝	Seagram	41½
29¼	20	Shell Canada Oil	24¾
12	7	Simpson Sears A	8½
33⅛	21	Stelco	27¾
15⅛	9¼	Teck B	9¼
42½	28	Texaco Canada	37½
40⅛	27⅝	Thomson NewsA	37⅛
18	13¼	Toronto DomBk	16¼
24¼	19	Transalta	21¾
16⅛	12⅝	Trans Can Pipe	15⅞
29⅛	19¾	Walker Hiram	25½
15⅞	13⅝	Westcoast Tran	14½
69½	42¼	Weston (Geo)	65½

FRANCE

1983/84 High	1983/84 Low	Feb. 17	Price Frs.
2,273	1,836	Emprunt 4½% 1973	1,914
11,005	8,186	Emprunt 7% 1973	9,685
3,685	2,099	CNE 3%	3,359
576	393	Air Liquide	515
859	360	BIC	405xc
836	620	Bouygues	662
2,885	1,336	BSN Gervais	2,492
1,640	795	CIT Alcatel	1,360
1,640	1,072	Carrefour	1,492
834	480.1	Club Mediter	781
600	435	CFAO	552
535	211	Cie Bancaire	432
230	128.7	Cofimeg	211.5
67.5	33.5	Creusot Loire	48
917	605	Darty	810
945	650	Dumez S.A.	776
595	244	Equx (Cie Gen.)	504
221	112	Elf-Aquitaine	221
740	389	Gen.Occidentale	618
90.7	47.5	I.M.E.T.A.L.	75
344	245	Lafarge-Coppee	323
2,420	994	L'Oreal	2,135
2,340	1,555	Legrand	1,982
470	284	Maisons Phenix	294
2,050	900	Matra S.A.	1,430
1,084	705	Michelin B	910
1,541	635	Midi (Cie)	1,395
1,550	801	Moet-Hennessy	1,314
113.7	65.9	Moulinex	95
58	46.1	Nord Est	48.5
845	238	Pernod Ricard	681
574	216	Perrier	481
216	130.1	Petroles Fra	207
257.8	129.1	Peugeot-SA	228
102.9	48	Poclain	61
164.7	102.1	Printemps (Au.)	138
444	342.5	Radiotech	350
1,250	842	Redoute	1,050
893	234	Roussel-Uclaf	726
140	79	Schneider S.A.	128
280	170	Sefimeg	250.1
1,520	660	Skis Rossignol	1,300
1,630	812	Telemech Elect.	1,525
338	142.1	Thomson (CSF)	316
358	210	Valeo	280

AUSTRIA

1983/84 High	1983/84 Low	Feb. 17	Price %
222	206	Credit'stalt Pfd	214
370	181	Goesser	321
410	358	Interunfall	410
217	201	Laenderbank	215
400	255	Perlmooser	335
179	145	Steyr—Daimler	157
262	171	Veitscher Mag	211

BELGIUM/LUXEMBOURG

1983/84 High	1983/84 Low	Feb. 17	Price Frs.
1,484	990	ARBED	1,404
5,200	3,700	Banq Int A Lux	5,200
4,420	2,030	Bekaert B	3,470
2,295	1,695	Ciment CBR	2,100
219	86	Cockerill	207
5,850	3,860	Delhaize	5,160
2,530	1,875	EBES	2,350
6,590	4,460	Electrobel	6,010
2,900	1,910	Fabrique Nat	2,235
3,595	2,710	GB Inno BM	3,290
2,800	1,450	GBL (Brux)	2,390
3,330	1,740	Gevaert	3,020
6,480	3,600	Hoboken	5,110
2,000	1,720	Intercom	1,840xr
7,320	4,300	Kredietbank	6,990
9,770	4,300	Pan Hldgs	9,450
7,050	4,610	Petrofina	6,900
8,320	5,910	Royale Belge	8,190
3,255	2,305	Soc. Gen. Banq	3,245
2,025	1,300	Soc. Gen. Belge	1,720
6,860	3,755	Sofina	5,600
4,355	2,180	Solvay	3,730
3,650	2,645	Tractionel	3,300
6,450	2,620	UCB	4,760
4,940	2,210	Vieille Mont	4,040

DENMARK

1983/84 High	1983/84 Low	Feb.17	Price Knr. %
556.4	339.6	AarhusOlie	425
362	160	Andelsbanken	282
705	321	Baltic Skand	705
350	176.6	CopHandelsbank	288
855	296.6	D. Sukkerfab	715
382	197	Danske Bank	341
218	88.6	East Asiatic	205
1,350	650	Forenede Brygg	1,200
298	148	Forenede Damp	169
700	176	GNT Hldg	660
765	270	I.S.S.B.	665
763	287	Jyske Bank	665
3,420	1,935	Novo Ind	2,625
372	183.4	Privatbanken	321
370	157.6	Provinsbanken	350
324.6	170	Smidth (F.)	250
1,355	583	Sophus Berend	1,280
698	97.2	Superfos	540

ITALY

1983/84 High	1983/84 Low	Feb. 17	Price Lire
39,500	25,600	Banca Com'le	36,500
253	124.4	Bastogi IRBS	158.9
2,590	1,040	Centrale	1,570
6,157	3,699	Credito Varesino	4,671
4,180	1,635	Fiat	4,139
77	33.2	Finsider	43
39,300	26,031	Generali Assicur	38,200
3,480	1,920	Invest	3,170
49,000	27,600	Italcementi	47,350
248.4	99	Montedison	220
5,550	1,901	Olivetti	4,800
3,315	2,315	Pirelli Co.	3,145
1,859	1,173	Pirelli Spa	1,780
1,629	671	Snia BPD	1,520
14,600	9,970	Toro Assic	13,230
11,310	6,950	do. Pref	10,200

NETHERLANDS

1983/84 High	1983/84 Low	Feb. 17	Price Fls
215	98	ACF Holding	180
146	62.5	AEGON	129.5
236	123	Ahold	214.5
123.2	34.9	AKZO	103.2
445	293.0	ABN	414.5
183	100.0	AMEV	160.8
82	41.9	AMRO	77.2
222	143.5	Bredero Cert	197.5
52.3	39.0	Bos Kalis Westm	49
75	30.5	Buehrmann-Tet	66
41.5	27.1	Calland Hldgs	37.5
69	38.0	Credit Lyon'is Bk	58
592	190.0	Elsevier-NDU nv	552
176.3	115.2	Gist.-Brocades	151.6
149	61.0	Heineken	145
60.9	14.2	Hoogovens	52.6
29.1	11.0	Hunter Douglas	24.9
44.8	17.7	Int-Mueller	38
232.6	137	KLM	179.7
50	24	Naarden	49.2
248.3	122.9	Nat Ned Cert	222.5
40	24.5	Ned Cred Bank	38.7
198	93	Ned Mid Bank	176.5
130	86.1	Nedlloyd	119.5
265.5	168.5	Oce Grinten	237
34.5	18.4	Ommeren (Van)	30
77	40.3	Pakhoed	71.5
65.1	27.7	Philips	43.9
15.2	3.2	Rijn-Schelde	4.4
350	244.0	Robeco	330
134.8	123.2	Rodamco	132.2
336.8	226.5	Rolinco	312.8
205	181.0	Rorento	202.5
165	92.2	Royal Dutch	150.6
278.4	189.0	Unilever	247
120	60	VMF Stork	97.2
169.5	60.2	VNU	152.7
140.5	83.5	West Utr Bank	124

NORWAY

1983/84 High	1983/84 Low	Feb. 17	Price Kroner
167	101.5	Bergens Bank	165
245	85	Borregaard	237.5
165	112.5	Christiania Bk	156.5
175.5	117	Den Norsk Credit	160
160	37.5	Elkem	151
316	105	Norsk Data	270
592	272.5	Norsk Hydro	575
212.5	127.5	Storebrand	193

AUSTRALIA

1983/84 High	1983/84 Low	Feb. 17	Price Aust. $
5.64	3.02	ANZ Group	5.46
1.72	0.76	Acrow Aust	1.5
1.18	0.51	Alliance Oil D.	0.86
2.10	1.25	Ampol Pet	1.67
1.94	1.06	Aust Cons Ind	1.8
3.1	2.00	Aust Guarant	2.8
2.90	2.07	Aust Nat Inds	2.58
2.60	1.72	Aust Paper	2.2
6.90	2.16	Bell Group	6
1.62	0.17	Bond Corp Hldgs	1.6
3.52	2.03	Boral	3.32
3.08	1.92	Bl'ville Copper	2.57
3.35	2.20	Brambles Inds	3.1
3.60	2.20	Bridge Oil	3.35
14.45	6.10	BHP	13.75
6.30	3.49	CRA	5.44
4.42	2.52	CSR	3.88
3.90	1.99	Carlton & Utd	3.82
5.6	3.85	CastlemaineTys	4.3
4.05	2.38	Coles (G.J.)	3.7
3.45	1.60	Comalco "A"	3.12
0.98	0.12	Consolidated Pet	0.96
1.56	0.88	Costain Aust	1.3
1.75	0.95	Dunlop Aust	1.5
6.44	4.70	E.Z. Inds	5.68
4.56	2.60	Elders IXL	4.3
2.0	1.32	Energy Res	1.6
2.30	1.55	Gen Prop Trust	1.93
4.10	3.00	Hardie (J.)	3.42
3.50	1.35	Hartogen Energy	2.7
3.40	1.97	HeraldW'y Times	3.1
2.45	1.48	ICI Aust	2.18
0.40	0.17	Jimb'lana(50cFP)	0.36
0.29	0.15	Kaora Gold	0.16
5.26	2.84	Lend Lease	4.65
4.78	3.28	MIM	3.4
3.00	2.30	Mayne Nickless	2.53
2.70	0.84	Meekatharra	0.85
2.23	1.10	Myer Emp	1.97
3.92	2.32	Nat. Com. Bk.	3.6
13.0	2.05	News	11.35
3.3	1.68	Nicholas Kiwi	3.05
3.75	2.15	North Bkn Hill	2.98
1.52	0.98	Oakbridge	1
1.00	0.45	Otter Expl	0.72
2.30	1.10	Pancont'l	1.2
2.09	1.40	PioneerConc	1.7
2.98	0.55	Reckitt & Coln	2.7
1.95	0.90	Repco	1.22
8.76	4.02	Santos	7.6
4.85	2.85	Smith (H.)	4.15
0.40	0.18	Southland Min'g	0.31
0.76	0.20	Spargos Expl	0.44
2.60	1.40	Thos Natwide	2.19
5.1	2.40	Tooth	5.02
3.80	1.53	UMAL Cons	3.65
9.80	3.20	Vamgas	3.25
5.16	3.30	Western Mining	4.12
4.02	2.45	Westpac	3.73
1.65	0.65	Woodside Petrol	1.01
2.6	1.50	Woolworths	2.58
3.28	2.65	Wormald Intl	3.45

SINGAPORE

1983/84 High	1983/84 Low	Feb. 17	Price $
3.14	1.66	Boustead Hldgs	2.87
5.85	4.18	Cold Storage	4.66
15.90	7.6	DBS	9.85
6.95	5.90	Fraser & Neave	6.35
6.05	3.10	Genting	5.9
2.91	2.05	Haw Par. Bros	2.66
3.76	2.41	Inchcape Bhd	2.85
5.10	3.20	Keppel Shipyard	3.38
10.3	6.15	Malay Banking	10
7.20	4.50	Malay Brew	6.55
2.37	1.70	Multi Purpose	2.06
11.8	8.5	OCBC	11.2
5.95	3.66	OUB	4.54
2.87	1.75	SimeDarby	2.62
2.47	1.62	Straits St'mship	1.75
7.80	5.1	Straits Trdg	5.7
5.90	3.66	UOB	5.6

SWEDEN

1983/84 High	1983/84 Low	Feb. 17	Price Kronor
412	280	AGA	390
368	188	Alfa-Laval	287
480	202	ASEA (Free)	425
2,400	540	Astra	570
142	90	Atlas Copco	126
492	256	Boliden	410
715	326	Cardo (Free)	530
192	98.75	Cellulosa	184
291	115	Electrolux B	275
474	323	Ericsson	361
345	161	Esselte	330
470	150	Mo Och Domsjo	450
480	196	Pharmacia	300
375	192	Saab-Scania	370
405	180	Sandvik	365
720	309	Skandia	416
370	212	Skan Enskilda	370
202	114	SKF	195
760	350	St. Kopparbergs	735
244	111	Sven Handelsbn	224
305	156	Swedish Match	271
529	270	VolvoB (Free)	457

SWITZERLAND

1983/84 High	1983/84 Low	Feb. 17	Price Frs.
935	505	Alusuisse	880
4,575	3,975	Bank Leu	4,500
1,580	950	Brown Boveri	1,500
2,475	1,605	Ciba Geigy	2,340
1,975	1,290	do. (Part Certs)	1,830
2,395	1,915	Credit Suisse	2,350
2,940	2,595	Elektrowatt	2,635
748	501	Fischer (Geo)	690
3,900	3,425	Genevoise	3,800
112,250	72,250	Hoff-RochePtCts	112,250
11,135	6,975	Hoff-Roche 1/10	10,300
6,750	550	Jacobs Suchard	6,450
2,000	1,500	Jelmoli	1,830
1,610	980	Landis & Gyr	1,480
5,125	3,815	Nestle	4,830
1,635	1,160	Oer-Buehrle	1,310
275	245	Pirelli	252
7,650	4,500	Sandoz (Br)	7,125
1,225	661	Sandoz (Pt Cts)	1,085
550	305	Schindler (PtCts)	540
1,095	712	Swissair	1,030
351	300	Swiss Bank	347
8,500	6,700	Swiss Reinsce	7,900
1,590	1,200	Swiss Volksbk	1,470
3,660	3,140	Union Bank	3,560
3,330	2,670	Winterthur	2,925
19,250	16,300	Zurich Ins	17,500

GERMANY

1983/4 High	1983/4 Low	Feb. 17	Price Dm
109.8	29	AEG-Telef	103
872.5	486	Allianz Vers	826
179.2	117.3	BASF	168.5
186.5	112	Bayer	171.4
325	240.1	Bayern-Hypo	290
379.5	283	Bayern-Verein	344.5
321	216.5	BHF-Bank	297
453.0	222.1	BMW	429
247.5	167	Brown Boveri	232.5
190	126.5	Commerzbank	190
141.8	62.2	Conti Gummi	136.7
713.5	376.2	Daimler-Benz	579
400	239.5	Degussa	374
184	132	Demag	146
197	137	D'sche Babcock	168
399.0	259.3	Deutsche Bank	388.2
197	133.5	Dresdner Bank	179.2
179	128.2	GHH	142
540	410.8	Hochtief	486
195.5	109.5	Hoechst	183
132.5	84	Hoesch Werke	126
564	410	Holzmann (P)	455
203	111	Horten	203
223.5	157	Kali und Salz	204
302	188	Karstadt	262
280	193	Kaufhof	251
284.5	197.5	KHD	254
70	35.3	Kloeckner	65
94	55	Krupp	89
418	308.5	Linde	387
170.5	81.1	Lufthansa	164.5
177	122.5	MAN	139
177	123	Mannesmann	148
643	336	Mercedes Hld	505
250	190	Metallgesell	236
1,699	280	Muench Rueck	1,250
289.3	185	Preussag	276
199	153	Rhein West Elect	193
348	258	Rosenthal	266
387	294	Schering	344
409.5	245.2	Siemens	402
94.5	66	Thyssen	88.1
194.3	163	Varta	181.8
185.9	137	Veba	177.9
142.4	116.3	V.E.W.	132
325	282	Verein-West	317
237	140.8	Volkswagen	215.5

HONG KONG

1983/84 High	1983/84 Low	Feb. 17	Price H.K.$
35.25	15.5	Bank East Asia	28.7
10.9	5.7	Cheung Kong	9.65
17.0	9.9	China Light	13.2
3.30	1.27	Hang Lung Devel	2.3
64.5	28.9	Hang Seng Bank	44.75
6.65	4.4	HK Electric	5.85
4.70	2.47	HK Kowloon Wh.	4.57
5.00	2.25	HK Land	3.52
9.0	2.4	HK Shanghai Bk	8.75
46	28.5	HK Telephone	45.75
18.8	8.00	Hutchison Wpa	17.2
16.1	7.9	Jardine Math	13.1
3.90	2.00	New World Dev	3.7
3.0	2.22	Orient O'seas	2.65
5.1	2.5	O'seas Trust Bk	3.5
7.45	4.05	SHK Props	7.05
18.8	18	Swire Pac A	18.
4.10	2.32	Wheel'k Mard A	3.8
2.40	1.55	Wheel'kMaritime	2.00
2.6	1.12	World Int. Hldgs	2.6

JAPAN

1983/84 High	1983/84 Low	Feb. 18	Price Yen
1,170	805	Ajinomoto	980
2,840	1,610	Alps Electric	2,540
1,210	515	Amada	1,110
466	282	Asahi Chem	410
735	510	Asahi Glass	679
683	440	Bridgestone	555
1,770	1,070	Canon	1,440
1,880	987	Casio Comp	1,430
1,600	966	Chugai Pharm	966
688	316	Citizen	610
687	580	Daiei	585
980	708	Dai Nippon Ptg	935
600	462	Daiwa House	520
385	317	Ebara	331
1,680	1,030	Eisai	1,140
11,800	4,400	Fanuc	10,750
793	498	Fuji Bank	782
2,480	1,490	Fuji Film	2,090
1,280	799	Fujisawa	799
1,460	825	Fujitsu	1,320
2,040	1,460	Green Cross	1,820
620	392	Hasegawa	392
693	535	Heiwa Real Est	615
959	750	Hitachi	850
1,670	1,400	Hitachi Credit	1,450
1,140	785	Honda	1,050
990	791	House Food	795
1,670	757	Hoya	1,660
348	275	Itoh (C)	298
2,190	1,000	Ito-Yokado	1,890
2,210	995	Iwatsu	2,000
379	326	JACCS	363
3,450	2,250	JAL	3,280
873	520	Jusco	600
375	290	Kajima	299
725	525	Kao Soap	660
730	580	Kashiyama	618
590	383	Kirin	545
1,080	755	Kokuyo	1,000
610	455	Komatsu	468
738	561	Konishiroku	665
539	295	Kubota	510
497	375	Kumagai	433
11,060	4,100	Kyoto Ceramic	10,050
568	491	Maeda Const	486
1,550	690	Makino Milling	1,300
1,380	755	Makita	1,070
331	260	Marubeni	271
700	540	Marudai	637
1,460	880	Marui	1,130
2,010	1,120	MEI	1,780
728	515	M'ta Elec Works	655
776	498	M'bishi Bank	775
575	500	M'bishi Corp	530
457	345	M'bishi Elect	390
520	441	M'bishi Estate	447
275	200	MHI	257
435	338	Mitsui Co	339
794	661	Mitsui Estate	699
390	340	Mitsukoshi	365
702	480	NGK Insulators	640
250	171	Nihon Cement	203
1,810	1,140	Nippon Denso	1,430
1,560	890	Nippon Elect	1,380
326	147	Nippon Express	284
695	600	Nippon Gakki	650
157	129	Nippon Kokan	140
1,260	850	Nippon Oil	1,010
627	386	Nippon Seiko	555
860	638	Nippon Shimpan	720
186	138	Nippon Steel	167
349	263	Nippon Suisan	310
12,100	4,040	NTV	10,000
288	224	Nippon Yusen	243
835	675	Nissan Motor	715
496	332	Nisshin Flour	446
194	137	Nisshin Steel	183
800	609	Nomura	720
1,300	977	Olympus	1,000
2,130	915	Omron Tateisi	1,870
3,300	1,960	Orient Leasing	2,840
3,850	2,110	Pioneer	3,290
763	590	Renown	672
1,190	639	Ricoh	982
805	655	Sankyo	685
599	425	Sanyo Elect	531
444	236	Sapporo	385
752	550	Sekisui Prefab	565
10,600	4,790	Seven Eleven	8,500
1,470	1,080	Sharp	1,200
578	436	Shimadzu	542
990	715	Shionogi	710
1,180	910	Shiseido	972
4,000	3,050	Sony	3,530
834	425	Stanley	735
928	476	S'tomo Elect	840
315	211	S'tomo Marine	305
176	144	S'tomo Metal	162
696	440	Taihei Dengyo	520
252	215	Taisei Corp	215
1,080	605	Taisho Pharm	910
917	705	Takeda	705
7,080	4,100	TDK	6,360
427	235	Teijin	386
946	673	Teikoku Oil	712
588	450	Tokyo Marine	545
788	495	TBS	718
1,390	965	Tokyo Elect.Pwr	1,300
187	117	Tokyo Gas	174
727	415	Tokyo Sanyo	668
980	790	Tokyo Style	941
349	201	Tokyu Corp	326
725	495	Toppan Print	665
444	339	Toray	396
443	277	Toshiba Elect	385
595	416	TOTO	550
765	465	Toyo Seikan	705
1,500	952	Toyota Motor	1,300
3,400	1,850	Victor	3,050
764	565	Wacoal	701
561	450	Yamaha	504
1,970	1,150	Yamanouchi	1,850
851	513	Yamazaki	765
278	220	Yasuda Fire	265
515	408	Yokogawa Bdge	431

SOUTH AFRICA

1983/84 High	1983/84 Low	Feb. 17	Price Rand
3.25	2.35	Abercom	2.80
10.20	7.00	AE & CI	8.30
51	22	Anglo Am. Coal	24
30.50	17.5	Anglo Am Corp	22.2
157.5	110	Anglo Am. Gold	138
20.5	14.1	Barclays Bank	19.9
14.25	11.1	Barlow Rand	13.85
75.5	46	Buffels	69
3.50	2.25	CNA Gallo	2.8
5.0	3.00	Currie Finance	4.70
11.7	8.40	De Beers	10.1
49.75	31.0	Driefontein	43.50
70	37.25	FS Geduld	48.5
34.4	20.0	Gold Fields S.A.	27
6.55	4.20	Highveld Steel	5.8
16.75	10.2	Nedbank	15.4
29	18.25	OK Bazaars	18.25
3.80	2.4	Protea Hldgs	3.55
25.5	16.2	Rembrandt	23.25
16.6	5.85	Rennies	14.25
14.65	7.5	Rust Plat	14.1
7.35	3.75	Sage Hldgs	7
8.65	6.60	SA Brews	7.27
25.25	18.2	Smith (C.G.)	23.35
13.0	8.2	Tongaat Huletts	11.5
5.90	3.95	Unisec	5.10

SPAIN

1983/84 High	1983/84 Low	Feb. 17	Price Pta
276	209	Bco Bilbao	276
330	256	Bco Central	330
220	195	Bco Exterior	207
239	200	Bco Hispano	259
286	208	Bco Santander	286
367	208	Bco Vizcaya	355
149	105	Dragados	141
57.7	39	Hidrola	50.2
68	39	Iberduero	58
114.7	59	Petroleos	113
95	60.2	Telefonica	79.5

NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

WORLD STOCK MARKETS

Indices

NEW YORK

DOW JONES

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	1983-84 High	1983-84 Low	Since Compil'nt High	Since Compil'nt Low
● Industr'ls	1148.87	1154.34	1158.71	1163.84	1150.13	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	71.05	71.16	71.26	71.31	71.11	77.84 (6/5)	80.95 (9/8)	—	—
Transport	502.51	509.06	506.75	514.07	507.81	612.63 (9/1/84)	434.24 (3/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	124.66	125.24	125.63	125.56	125.63	140.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/63)	10.5 (28/4/42)
TradingVol 000's	77,278	81,750	94,670	91,890	78,460	—	—	—	—

● Day's high 1164.36 (1164.89) low 1141.23 (1143.74)

	Feb. 10	Feb. 3	Jan. 27	Year ago (approx)
Industrial div. yield %	4.71	4.55	4.43	4.96

STANDARD AND POORS

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industr'ls	175.58	175.92	175.96	176.31	174.18	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	155.74	156.13	156.25	156.61	154.95	172.65 (10/10)	138.54 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Feb. 8	Feb. 1	Jan. 25	Year ago (approx)
Industrial div. yield %	4.03	3.85	3.76	4.38
Industrial P/E ratio	12.64	13.28	13.49	11.35
Long Gov. Bond yield	11.62	11.57	11.54	11.09

N.Y.S.E. ALL COMMON

Feb. 17	Feb. 16	Feb. 15	Feb. 14	1983-84 High	1983-84 Low
89.59	89.83	89.95	90.12	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Feb. 17	Feb. 16	Feb. 15
Issues Traded	1,953	1,971	1,985
Rises	659	675	794
Falls	875	872	740
Unchanged	439	424	451
New Highs	—	7	5
New Lows	—	72	46

MONTREAL

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	1983-84 High	1983-84 Low
Industrial	416.49	417.62	418.56	418.65	468.90 (26/9)	351.18 (4/1/83)
Combined	401.56	402.44	405.41	401.95	441.29 (26/9)	325.12 (4/1/83)
TORONTO Composite	2583.8	2587.8	2591.2	2585.8	2598.2 (26/9)	1945.8 (4/1/83)

	Feb. 17	Feb. 16	Feb. 15	Feb. 14	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	750.4	748.2	742.5	759.1	787.9 (9/1/84)	487.9 (4/1/83)
Metals & Minls. (1/1/80)	520.1	516.7	512.2	511.4	614.2 (5/9)	411.8 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	55.59	55.56	55.26	55.67	59.6 (5/5)	48.48 (15/2/83)
BELGIUM						
Belgian SE (31/12/63)	141.69	141.24	141.35	141.87	148.25 (1/2/84)	100.50 (4/1/83)
DENMARK						
Copenhagen SE (3/1/83)	207.06	213.22	211.48	(u)	225.21 (20/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	159.6	161.8	164.2	165.8	175.1 (25/1/84)	98.1 (3/1/83)
Ind Tendance (30/12/83)	105.1	103.5	105.3	105.2	114.7 (25/1/84)	99.4 (3/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	357.6	356.72	352.52	349.82	370.84 (2/2/84)	241.89 (25/1/83)
Commerzbank (1/12/63)	1055.6	1052.7	1039.8	1029.5	1098.5 (2/2/84)	727.9 (25/1/83)
HONG KONG						
Hang Seng Bank(31/7/64)	1094.87	1084.86	1090.65	1089.34	1134.12 (8/2/84)	690.06 (4/10)
ITALY						
Banca Comm Ital. (1972)	219.57	220.84	215.61	215.48	229.57 (1/2/84)	160.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	9825.87	9897.15	9892.16	9830.47	10255.7 (30/1/84)	7805.18 (25/1/83)
Tokyo SE New (4/1/68)	768.49	765.72	764.51	762.28	779.31 (9/2/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	161.5	159.5	159.7	157.2	178.3 (1/2/84)	100.1 (4/1/83)
ANP-CBS Indust (1970)	152.5	151.5	151.5	129.4	147.2 (1/2/84)	85.5 (4/1/83)
NORWAY						
Oslo SE (4/1/83)	256.28	255.84	257.66	255.98	247.95 (1/2/84)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	1057.13	1051.59	1052.51	1053.07	1071.91 (8/2/84)	712.29 (5/1/83)
SOUTH AFRICA						
Gold (1958)	969.5	925.8	907.8	872.8	1089.5 (1/2/83)	661.4 (1/11)
Industrial (1958)	915.4	968.4	968.3	987.4	1008.4 (9/1/84)	704.9 (5/1/83)
SPAIN						
Madrid SE (30/12/83)	117.07	115.89	114.68	115.38	117.07 (17/2/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/56)	1547.25	1553.47	1571.58	1570.39	1584.5 (3/2/84)	896.18 (3/1/83)
SWITZERLAND						
SwissBankCpn.(31/12/58)	371.5	368.6	367.6	365.2	388.7 (3/1/84)	294.4 (4/1/83)
WORLD						
Capital Intl. (1/1/70)	—	180.0	179.6	178.6	187.2 (20/1/84)	154.3 (3/1/83)

** Saturday February 11: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
ATT	3,408,800	16⅞	—	Pac. Gas El.	910,000	13⅛	+ ½
Beatrice Foods	1,694,900	35⅞	+2⅛	IBM	724,100	109⅞	+ ⅛
Phillips Pet.	1,374,400	42⅞	+1⅛	Pan Am. Air.	703,900	7	— ⅛
Hew'ett-Pack.	1,112,700	35⅞	— ⅞	Texas Util.	688,600	23	— ⅛
Gulf Oil	934,300	54	—	General Motors	693,100	68½	—1½

OVER-THE-COUNTER Nasdaq National Market closing prices

Continued from Page 22

Stock	Sales (Hnds)	High	Low	Last	Chng
Tandem	2798	32½	31¼	32	+¼
Tandn s	3841	15¼	15½	15¼	+¼
TcCom	17	14¼	14	14	
TlcmA s	1139	17½	17¼	17¼	
TelPlu s	285	7½	7¼	7¼	+¼
Telecrd	221	18	18½	17¼	
Telepict	180	13¼	13	13¼	
Telxd	546	11¾	11½	11¾	
Telabs s	1309	18½	18¼	18¼	+¼
Telxon	430	10¼	8	8	
TndrLv	30	7	6½	7	+¼
TermD s	10	12¼	12¼	12¼	
Texsda	46	5¼	5¼	5¼	
TexFd	122	24	23½	24	+¼
Texon	71	5½	5¼	5½	
Tesma	295	15¼	15¼	15¼	+¼
Thrdxd	20	11¾	11¾	11¾	
ThdNat	14	37½	37½	37¼	+¼
Thortec	12	3¾	3¾	3¾	
Thou.T s	110	21¼	21½	21¼	+¼
TimeFib	41	9¾	9½	9¾	
Tprary	340	8¼	8	8	
Tocom	14	2¾	2¾	2¾	
TraAu	65	13¼	12¼	13	

Stock	Sales (Hnds)	High	Low	Last	Chng
TWstEx	151	1½	1½	1½	+½
TrasSy	60	12	11¼	11¼	−¼
TrusJo	22	30¼	30¼	30¼	+¼
TBkGa s	145	27¼	27¼	27¼	+½
TuckDr	52	9	8¾	8¾	
TwnCty	64	5¼	5	5	−¼
U-U					
UTL s	16	15¼	15	15	−¼
Ultrsy s	433	13¼	13	13½	
Ungmn	221	13	12½	13	+½
Unifi s	25	15¼	15¼	15¼	+½
UnPlntrs	x119	15¼	15½	15¼	
UACm s	136	20¼	19¼	19¼	−¼
UBCols	17	18	17¼	17¼	−¼
UnEdS	26	9¼	9¼	9¼	
UFinGrp	78	7¼	7	7¼	+¼
UGrdn	12	9¼	8½	9¼	
UPrsts s	50	5¼	5¼	5¼	−¼
UnSvc1	18	25¼	25¼	25¼	
US Ant	55	5¼	5¼	5¼	
US Bcp	13	23¼	23¼	23¼	+¼
US HI s	274	18¼	17¼	18¼	+¼
US Sh s	55	5¼	5¼	5¼	
US Sur	160	5¼	5¼	5¼	
US Tr s	770	34¼	37	37¼	−¼
UnTelw	14	13	13	13	
UVaBs s	25	29¼	29	29	−¼

Stock	Sales (Hnds)	High	Low	Last	Chng
UnvHld	80	4⅞	4½	4½	
UnvHlt s	129	10¼	10¼	10¼	+¼
UnvRsi	119	13¼	13	13¼	+¼
UrgeCs	2029	5¼	4¾	5¼	+¼
V-V					
VLI	258	15	13¼	14¼	−1¼
VLSI	109	12	11¼	11¼	+¼
ValFSL	6	15¼	15¼	15¼	
ValNtl	112	25	24¼	25	+¼
ValLne	90	32	31¼	31¼	−¼
VanDrG	90	2	1¾	2	
Ventrex	103	9¼	8¼	9	
Vestr	811	2¼	2¼	2¼	
Vicorp s	287	15¼	15¼	15¼	
ViedGr	287	1	¾	¾	
VictrA	25	6¼	6¼	6¼	−¼
VideoCp	2	11¼	11¼	11¼	
Viking s	39	12¼	11¼	12	+¼
VaTech	52	13¼	12¼	13¼	
Voltin s	79	22¼	21¼	21¼	−¼
W-W					
WD40 s	18	20¼	19¼	19¼	−¼
WalbTel	132	7¼	7¼	7¼	
WshE	4	35¼	35¼	35¼	
WFSL s	90	19¼	19¼	19¼	−¼
WMSB	12	11¼	11¼	11¼	−¼

Stock	Sales (Hnds)	High	Low	Last	Chng
Wavtk s .44	160	10½	10	10	−¼
Webb s .48	18	14¼	14¼	14¼	+¼
WeCasS 2.68	48	44¼	43¼	43¼	−¼
WnDgtl	385	9¼	8¼	8¼	−¼
Westra .80	309	18¼	18¼	18¼	+¼
Wicat	160	3¼	3¼	3¼	
Widcom	188	11	10¼	10¼	−¼
Willmt 1.50	117	31	30¼	31	
WilAL s	687	11¼	9	11	+2
wlsNF	1550	9¼	8¼	8¼	−¼
Wetprl .20	111	14	13¼	13¼	−¼
Wsern s .07	344	8¼	7¼	8	
WnstEn	73	8¼	8¼	8¼	−¼
WiscTI	215	12	11¼	11¼	−¼
WoodD .50	7	13	12¼	12¼	+¼
WoodL s .120	13	42¼	42	42	
Wrthg s .52	52	23¼	22¼	23¼	
Wrnar	85	10¼	9¼	9¼	−¼
Wyman .80	193	29¼	29¼	29¼	+¼
X-Y-Z					
Xebec s	209	14¼	13¼	14	
Xicor	120	14¼	14¼	14¼	+¼
Xidex s	1085	15	14¼	14¼	+¼
YlowFt .52	2258	31¼	30¼	31¼	+¼
ZenLab	25	14	14¼	14¼	+¼
Zenlac	30	6¼	5¼	6¼	
Zondv s .32	14	15¼	15¼	15¼	−¼

APPOINTMENTS

Chairman of Birmid Qualcast

BIRMID QUALCAST has appointed Mr R. T. S. Macpherson as chairman following the annual meeting on March 23, when he will succeed Mr James F. Insch, who retires on the same date.

Mr Patrick Sheehy and Mr Brian Garraway have been appointed to the boards of EAGLE STAR HOLDINGS and Eagle Star Insurance Co. Mr Sheehy is chairman and Mr Garraway is a deputy chairman of B.A.T. Industries.

Mr James Cran has been appointed director of the CONFEDERATION OF BRITISH INDUSTRY'S West Midlands region. He moves to Birmingham after five years as director of the CBI's Northern region at Newcastle. He succeeds Dr Kevin Hawkins, who is leaving the CBI to become public affairs director at Lucas Industries.

Mr W. Stan Elsmore has been appointed managing director of DANTURL ENGINEERING.

Mr A. T. Stevenson and Mr J. Heneghan have joined RICHARDS, LONGSTAFF to form a reinsurance division. Mr Stevenson has joined the board of Richards, Longstaff (Insurance), which Mr R. C. Rickard also joins. Mr P. D. Duckling becomes a director of the overseas division, and Mr P. R. Churchill and Mr P. Paetow, marine division directors. Mr E. McKenna, Mr J. G. Ruck Keene, Mr S. M. Searle and Mr G. G. Watson become directors of Richards, Longstaff, and Mr G. R. W. Carter and Mr R. M. Smith, associate directors.

Sir Arnold Hall, chairman of the Hawker Siddeley Group, and Mr Peter Laister, chief executive of Thorn/EMI, have been appointed vice-presidents of the ENGINEERING EMPLOYERS' FEDERATION. Two previous vice-presidents, Mr Denby Bamford and Mr Tom Carlile, have retired.

Mr Christopher Stewart-Smith, executive chairman of Earls Court and Olympia and a director of its parent company, Sterling Guarantee Trust, has been appointed a director of NATIONAL WESTMINSTER BANK'S outer London regional board. Mr F. G. (Jack) Bennie becomes a director of the bank's City and West End regional board following his retirement as general manager, premises division, on March 31.

Mr Alan B Brooker has been appointed a non-executive director of PAULS & WHITES. He is chairman and chief executive of Extel Group and a director of Provident Financial Group. Mr Philip Musselwhite has been appointed an executive director of Pauls & Whites and will become managing director of Pauls Flavours & Fragrances on April 1. He was deputy managing director of Pauls & Whites International with responsibility for the essences and flavours businesses.

Mr G. P. Fothergill has been appointed managing director of the pharmaceutical division of FISONS. He was regional director for the North American and Pacific operations of the division.

Mr Ian Houston has been appointed director of GOOD RELATIONS TECHNOLOGY. He was previously managing director of Paul Winner Marketing Communications.

Mr J. Churchman, managing director of Pressbend, Preston, has been promoted to the main board of the parent company, ADDISON TOOL CO.

Mr Graham Parr has been appointed operations director of WARNER UK. He comes from Pontins, where he was regional director, north-west.

FAIREY ARLON has appointed Dr John Sexton as technical director with responsibility for design, development, quality control and inspection; he joined the company as technical manager in 1983. He was group research manager for Pandrol. Fairey Arlon specialises in high technology filtration, and is an operating company within Fairey Holdings, engineering sector of S. Pearson and Son.

Mr John Jeffery has been appointed vice-president of KORN/FERRY INTERNATIONAL. He was director of marketing for EMI Industrial Electronics.

BEN JOHNSON AND CO has appointed Mr Keith B. Dallas as sales director and Mr James Craft, divisional director of the Gateshead facility.

Mr Maurice Garwood, manager of BP OIL's retail division, has retired from the company after 36 years. He has been succeeded by Mr Greg Harvey. Mr Harvey joined BP Australia in 1976 as manager of government and public affairs, and became state marketing manager for Western Australia in 1979. He was seconded to BP Oil International in 1982 as area oil co-ordinator for Germany and Switzerland.

MPL PUMPS, a member of the Mono Group of companies has appointed Mr Clifton Jelbert as sales and marketing director. He joins MPL from Messenger (Birmingham). MPL Pumps is the new title of the Feltham-based company, formerly known as Metering Pumps.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Associated Newspapers, Stationers Hall, Stationers Hall Court, Ludgate Hill, EC, 10.30
Daily Mail and General Trust, Carmelite House, EC, 12.00
Grainger Trust, Cross House, Westgate Road, Newcastle upon Tyne, 12.15
Guinness Peat, Chartered Accountants Hall, 11, Copthall Avenue, EC, 12.00

BOARD MEETINGS—
Finals:
English and Scottish Investors
Micro Focus
Scottish Eastern Inv Tst
Standard Telephones and Cables
Temple Bar Inv Tst

DIVIDEND & INTEREST PAYMENTS—
Australia and New Zealand Bank 14cts
Consd-Bathurst 17⅛pc Ln 1987 8⅛pc
Exchequer 11⅛pc 1986 5⅛pc
Fleming Overseas Inv Tst 3p
Formiteater 2.03p
Grainger Tst 3.2p
Jusco SeoCorBob 1996 4pc
Lloyds Tst Gilt Fd Prf Red Pf 31p
M & G Second Fd 1.6p
SeaCo Inc 10.5cts
Security Pacific Corp 50cts
Windsor Securities (ldgs) 0.75p

TOMORROW

COMPANY MEETINGS—
Leech (William), Kingston Park Centre, Kenton, Newcastle upon Tyne, 12.00
Nottingham Brick, Bestwood Lodge, Bestwood Country Park, Arnold, Nottinghamshire, 12.00
Trident Television, The Dorchester, Park Lane, W, 11.30

BOARD MEETINGS—
Finals:
Adams and Gibbon
Aldcom Intl
Aqua Scot
Child Health Research Inv Tst
Fleming American Inv Tst
Jones (Ernest) (Jewellers)
Ladies Pride
Metal Bulletin
Interims:
Fleming Enterprise Inv Tst
Utd Real Prop Tst

DIVIDEND & INTEREST PAYMENTS—
Bank of Tokyo (Curacao) Gtd Fltg Rate Notes £1,193.95
Dorland Stamping 2.2p
English and New York Tst 5⅛pcDb 1987 2½pc

Each 10½pc 1997 5⅛pc
First Chicago Overseas Fin Gtd Rate Subord Notes 1994 $267.19
Homestake Mng 5cts
Sterling Inds 0.5p
Treasury 10pc 1992 5pc

WEDNESDAY FEBRUARY 22

COMPANY MEETINGS—
Bankers Inv Tst, Mermaid House, 2, Puddle Dock, EC, 2.30
Cameronian, Chartered Accountants Hall, Moorgate Place, EC, 11.00
Nash Industries, Chamber of Commerce, Harborne Road, Birmingham, 12.00

BOARD MEETINGS—
Finals:
Al Ind Prods
Alex
ASEA AB
Anglo-Intnl Inv Tst
Bath and Portland
Foreign and Col Inv Tst
Investment Tst of Guernsey
Marchwiel
Weber
Interims:
Braime (T. F. and J. H.)
Eleco
Throgmorton Secd Growth Tst

DIVIDEND & INTEREST PAYMENTS—
Bacock 1.5p
Diversified Bond Fd Ptg Red Pf 20cts
Exchequer 12pc 1994 6pc
Nash Inds 2.5p
Nottingham Brick 10p
Treasury 13pc 1985 7½pc
Treasury 11½pc 1989 5⅜pc

THURSDAY FEBRUARY 23

COMPANY MEETINGS—
Bluemel Bros, Waldorf Hotel, Aldwych, WC, 11.30
English China Clays, Hyde Park Hotel, Knightsbridge, SW, 12.30

Raeburn Inv Tst, 21, Moorfields, EC, 2.45
Rayford Supreme Butchers Hall, 87, Bartholomew Close, Smithfield, EC, 12.00
Reedfearn National Glass, Royal York Hotel, York, 12.00
Spencer Clark Metal, Greasbrough Street, Rotherham, 12.00
Tyacks, Normandy Hotel, Inchinnan Road, Paisley, 12.00
Watson and Philip, Angus Hotel, Marketgait, Dundee, 2.30
Widney, Plume Street, Birmingham, 12.00
Willoughby Consd, Grosvenor House Hotel, Park Lane, W, 12.00

BOARD MEETINGS—
Finals:
Aaronite
Goldhall Prop
ICI
Jessens Drilling
Liberty Life Assn of Africa
Newbold and Burton
Rowton Inc
Romney Tst
World Hldgs
Interims:
Aberforth
Acorn Computer
BPM
Ramar Textiles
Tor Inv Tst

DIVIDEND & INTEREST PAYMENTS—
Bankers Inv Tst 1.75p
Batleys of Yorkshire 0.5p
Cavenham 2.45p
Industrial Credit 9p
Jason and Lees Ocean Yen-Linked 7¾pc Gtd Nts 1987 3⅞pc
Leumi Int Inv Gtd Fltg Rate Notes A 1987 $55.99
Multitone Electronics 1.05p
Trans-Oceanic Tst 2p
Treasury 3½pc It 2011 £1.42

FRIDAY FEBRUARY 24

COMPANY MEETINGS—
Electronic Machine, Great Eastern Hotel, Liverpool Street, EC, 12.00
French (Thomas), Lancashire County Cricket Club, Old Trafford, Manchester, 12.30
Mid-Southern Water, Waterworks Offices, Frimley Green, Surrey, 12.00
Muirhead, Hyde Park Hotel, Knightsbridge, SW, 11.15

BOARD MEETINGS—
Finals:
Allied Leather Inds
Technology For Business
Interims:
Comedo
Don Bros (Buist)
Sharpe (Charles)
Stothert and Pitt
Watsham's

DIVIDEND & INTEREST PAYMENTS—
Acha Inv Tst 0.5p
Associated Newspapers 7.5p
Baker Intnl Corp 23cts
British Aeroprosp Fd Equity 1992-97 3pc
C.H. Industrials 0.4p
City of Dublin Bank 2.2375p
Combined Intnl Corp 50cts
Distillers 6.5p
Eaton Corp 20cts
Electronic Rentals Group 1.1667p
Exchequer 2½pc 1987 1¼pc
French (Thomas) 4p
Freshbake Foods 1.5p
Globe Inv Tst 1.75p
Great Income Property 21cts
INT Group 30cts
Lee (Arthur) 0.5p
Leech (William) 1.5p
Maldon Spring Sets
Mid-Sussex Water SeekedPf 1986 4p
Northern Foods 4.75p
Redland National Glass 0.1p
Royal Bank of Canada 50cts
Smith (David S.) 1p
Stead and Simpson 1.5p
Tesco 1.5p
Teejoy Petroleum 10cts
Walker and Philip 3p

SATURDAY FEBRUARY 25

COMPANY MEETINGS—
Boothum Engineers

DIVIDEND & INTEREST PAYMENTS—
Aluminium Co of America 30cts
Curtis Bros 2.5p
Exchequer 12½pc 1992 6⅜pc
Forshaws Burtonwood Brewery 2.5p
Mid-Southern Water 3.5pc Cons 1.75p
Ranks Hovis McDougall 8½pcLn 1990-94 4⅛pc
St Paul 1991-95 4⅛pc
Sommerville (William) 0.5p

The county has made steady progress in its efforts to maintain and, in some cases, restore the industrial vitality of an area traditionally renowned for its wide range of interests

Facelift for a county

UNTIL RECENTLY Nottinghamshire has relied very largely on the diversity and inherent strength of its industrial base to ensure prosperity but, like other counties, it has been forced by recession to become more outward looking.

An array of new initiatives has been launched in the past 18 months by local authorities, backed up in many cases by established companies in the county, to stimulate investment and attract industry from other parts of the UK and abroad.

By LORNE BARLING

In the early 1970s it was feared that the county's main long-term problems would relate to the decline of coalmining, since this was and remains a major source of employment. Plans were made to encourage new activities, but mining has suffered much less than was predicted and recession became the real problem.

Nottinghamshire has a population of nearly 1m, with more than half this number of people concentrated in the Greater Nottingham area. The total labour force amounts to about 460,000 people, of which a high proportion are women employed in activities where intricate skills are necessary.

Tourists

Being famous throughout the world for its history, the county also attracts a higher proportion of tourists than many parts of Britain, an industry which continues to be fostered by improved facilities for country pursuits and better tourist accommodation.

However, it has been recognised that regional promotion is now a way of life, and that Nottinghamshire could not rely entirely on its qualities to attract attention. Local authorities therefore took action to raise the county's profile.

The county council established a new economic development department nearly two years ago, backed by considerable resources, aimed at providing comprehensive assistance to new and established industry.

Mr James Young, a former Guinness executive, was appointed head of the new unit of 24 people and has funds of around £3m a year provided by the council for the running of the project.

The two major objectives are to encourage industrial growth and to attract investment. To this end, a number of services have been offered, such as the export marketing executive, which provides advice on markets, terms of trade, agents and distributors and sales missions, often sponsored by the county council.

In addition the county provides share capital for new and existing businesses, risk capital or a combination of both in a financial package tailored for a specific requirement. Policy is to assist companies which have good growth prospects and to retain an equity share from which profits are ploughed back into new investments.

Another service is provided through financial support by the county council for new companies wishing to use professional services, such as accountants and solicitors, when establishing themselves. This operates on a voucher system with grants of up to £500 available.

According to Mr Young, one of the main aims of the department is to provide a quick response, on a whole range of matters concerning business expansion, enabling companies to avoid delays often associated with local authorities.

Around five per cent of the department's budget is spent on promotional activities, such as visits to the United States and the cost of advertising within the UK, allowing the bulk to go direct to industrial aid schemes. It is estimated that around 1,600 new jobs were created in the county up to November last year as a result of the department's activities.

However, one of the county's most notable successes, the development of its £17m Royal Centre entertainment and conference complex, came from a Nottingham City Council initiative. The 2,500-seat Royal concert hall has achieved a 92 per cent occupancy since it was opened in November 1982 and taken around £5m at the box office.

The first phase of the Royal Centre development was the refurbishment of the Theatre Royal, which recaptured the Victorian atmosphere inside the historic 1,100-seat auditorium. The second phase was the newly-built concert hall, which has a 35-tonne canopy above the stage area which can be raised or lowered to alter the acoustics and lighting.

The hall is attracting an increasing number of major business conferences and events, such as the launch presentation for the BL Maestro range of cars. Overall, the financial benefits for related service industries in the city have been considerable.

A catalyst

The city council has also played a vital role in the revitalisation of inner city areas of Nottingham, backed up by government grants under the urban development scheme. In the first round of bids Nottingham had five projects accepted for grant aid, which has resulted in a total investment of £11.5m.

Mr Malcolm Gilbert, the council's industrial development officer, said that the council had acted as a catalyst in finding suitable properties for redevelopment, attracting the grant aid, and then encouraging developers to invest in the projects.

One of the most notable of these was the £4m old Post Office scheme, which involves the retention of its existing facade and rebuilding of the remainder to provide 33,000 sq ft of office space and 10,000 sq ft of shops on the ground floor. A local company, Norfolk Place Properties, is the developer and work is now under way.

Other projects include a £1m mixed housing and industrial scheme in the city, the refurbishment of the ice skating rink, a £4.5m flats and housing development at Trent Bridge, and conversion of a listed industrial building near the city centre into an 80-bedroom hotel.

For the second round of urban development grant bids, the council is submitting five schemes relating to redundant buildings and derelict sites, and Mr Gilbert was confident that private sector developers for all of these could be found.

The council has also been developing up to 30 small industrial units a year within the city area, aimed particularly at start-up businesses, and these have been quickly occupied.

For the county as a whole, tourism is an important source of revenue, particularly for the service industries, and accounts for the equivalent of about 6,600 jobs, according to Mr Jeff Hamblin, director of the East Midlands Tourist Board.

He said that tourism brought nearly £54m into the county in 1982, out of an East Midlands regional total of £266m. Nottinghamshire was one of the highest revenue earners in the region, due partly to North American interest in the legends of Sherwood Forest, which had around 450,000 visitors a year.

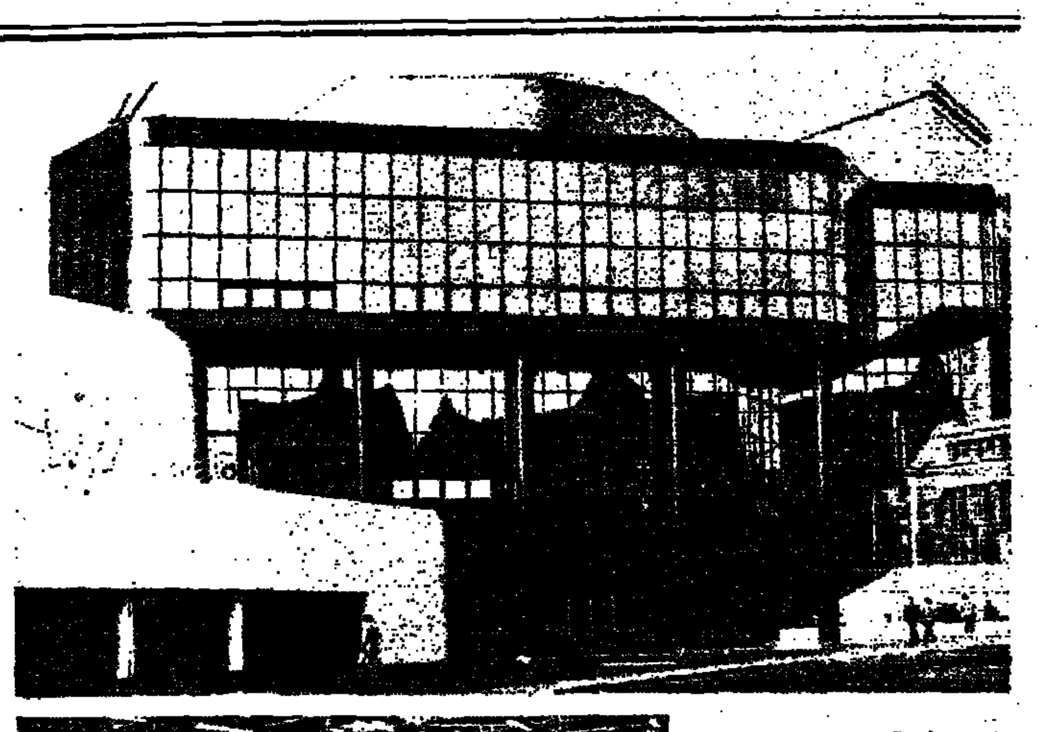
Despite a recent fall in the number of overseas tourists visiting the UK, there had been a continuing increase in Nottinghamshire, and this was expected to accelerate in view of the strength of the dollar. In addition, a high proportion of vistors came from the Continent, travelling by car due to the ease of crossing to east coast ports.

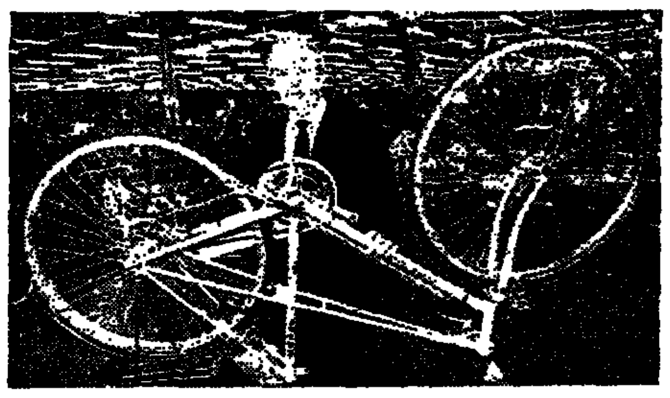
Mr Hamblin said that considerable investment was now being made in improvements to Sherwood Forest and another major attraction, Rufford Country Park, which recently won a British Tourist Authority award for its facilities.

Nottinghamshire's central location within the UK and its proximity to increasingly well developed east coast ports is regarded as a major benefit in attracting companies which need to distribute products in Britain and on the Continent.

Work is now progressing on the M25 link between the M1 and the M4, scheduled for completion next winter, and this will provide an additional route for local companies. Similarly, the opening of Birmingham's new airport will provide additional freight and passenger services for the region.

Overall, Nottinghamshire appears to have made significant progress in the past two years in improving existing facilities for industry and leisure, and has every prospect of maintaining that momentum for some years to come.





The £17m Royal Centre entertainment and conference complex has proved a notable success. Above is the front view of the concert hall and its illuminated sculpture. Left: Mr R. Jarvis, managing director of TI Raleigh, with the latest woman's touring cycle. The company has the world's largest cycle plant and is this week holding its first international convention.

Diversity eases recession

MANUFACTURING industry in Nottinghamshire employs around one third of the country's total work force, and the great diversity of that industry has been a major factor in protecting the county from the worst of the recession.

Its chief manufacturing activities include textiles and clothing, telecommunications, electronics, pharmaceuticals, engineering, printing, food, cigarettes and bicycle manufacture. The county also has a high proportion of large employers, often dominating their immediate areas.

Some of the most notable among these are Boots of Nottingham, Plessey, John Player, TI Raleigh, Thorn Automation, Rolls-Royce (engine testing division), the Royal Ordnance Factory, Metal Box, Ransome Hoffman and Pollard, Bridon Wire, Courtaulds, Nottingham Manufacturing, Steetley, International Combustion and Kodak.

This cross section of manufacturing activity has helped to keep unemployment below the national average in most parts of the country, which recorded a level of 12.2 per cent in January. The figure was the same for the Nottingham travel-to-work area, but rises to 13.4 per cent at Worksop and 15.5 per cent at Newark.

Many of the larger companies have nevertheless cut their workforces considerably. Plessey having reduced their numbers from 7,500 in 1977 to about 4,500 at present, while Raleigh has also cut back considerably.

Nevertheless, both companies are now confident that these measures have strengthened them. Plessey has switched production from electro-mechanical telephone equipment to digital systems, requiring less labour but is recruiting higher-paid engineers and technicians.

Raleigh, which has the largest cycle factory in the world, is this week holding its first international convention, presenting its 1984 product range to more than 2,000 European cycle dealers. Special presentations are also being held at Nottingham's Royal Centre.

Mr Roly Jarvis, managing director of the company, said: "This convention is taking place at a significant time for us, since 1984 is the year when we expect to achieve substantial improvements in our market share across the channel, following recent success in the home market." Considerable investment has recently been made in Raleigh by its parent company, most notably in a £3.5m paint plant.

Coal mining remains the most important industry in Nottinghamshire, employing nearly 10 per cent of the working population, while around 35,000 people (7.6 per cent) work in the textiles industry.

The county's mining industry is said to be one of the most modern and profitable in the UK, while it has also had the benefit of creating a major local mining equipment industry. The recent approval of the Vale of Belvoir coalfield, though limited at present, has been widely welcomed.

The textile and clothing industry, while one of the worst victims of the recession, has recently seen some improvement in demand and many companies are now benefiting from investment in new equipment during the past 18 months.

The electronics sector—well represented by companies which include Pressac, TRW Carr and Whiteley Electronics—covers the manufacture of electronic components for domestic appliances, cars, machine tools, communications and defence equipment.

CONTINUED ON NEXT PAGE

NOTTINGHAMSHIRE II

PROFILE: STANTON AND STAVELEY

Ready for the push overseas

STANTON and Staveley, the British Steel Corporation subsidiary which straddles the border between Nottinghamshire and Derbyshire, is likely to be an early candidate for a return to the private sector.

Ever since nationalisation in 1967 as part of the Stewarts and Lloyds group, the company has slowly developed a series of new products to add to its mainstream activity of making cast iron and concrete pipes for water authorities, but it may now be able to speed up that process.

In the 1960s the company developed plastic reinforced pipes, and in the mid-1970s went into the production of valves, mainly related to the piping of water, and in 1976 moved into the casting of manhole covers and similar products for local authorities. The only unrelated activity is the manufacture of general castings, mainly for the motor industry.

However, the prospect of Stanton and Staveley being sold, either to another company, or to its management, has stimulated considerable thought about its future, particularly in relation to product development.

During its years as a BSC tubes division subsidiary, when the workforce more than halved to 3,500 people, the company was limited in its ability to diversify, particularly outside the manufacture of ductile iron products.

However, with a turnover of around £100m a year, and a great deal of expertise in its activities, it is now evident that the company has a lot to offer in terms of innovations.

The company has, for instance, recently undertaken a joint venture with Norwest Holst, a leading civil engineering company which has specialised in water projects around the world, often working closely with Stanton and Staveley.

However, it appears that until Stanton and Staveley returns to the private sector, the full benefits of such a link cannot be realised in the form of a jointly-owned subsidiary company. Similarly, other product-related objectives must remain on the drawing board.

Within its mainstream activities, Stanton and Staveley has benefited from considerable BSC investment, notably the £35m spent in the past five years on modernising its foundries.

"Our main aim has been to make ourselves internationally competitive," according to Mr Vivian Harper, commercial manager of Stanton Spun Iron Pipes. He said that the UK market for water pipes was expected to grow five-fold over the next five years, due to the need to replace crumbling sewers.

Most of this was likely to be reinforced plastic pipe, and Stanton and Staveley is expected to win a large share of this market. However, far greater sales opportunities are known to exist abroad, particularly in countries which are undertaking very large water projects, often with the help of international aid agencies.

The difference between the two markets was illustrated by the fact that Iraq, during the re-piping of Baghdad, was using up to 400,000 tonnes of iron pipe a year, compared with around 150,000 tonnes a year for the whole of the UK.

Stanton and Staveley believes that the Government is now far more effective in supporting overseas bids for contracts than it was some years ago, and that the British water industries group, formed in the early 1980s, has also helped in securing contracts.

The company believes that its prices are now competitive with the major West German and French pipe suppliers, and that the strong position of UK water consultants in world markets should help with export sales.

In the UK market, the company sees increased demand for polyethylene pipe, and is therefore disappointed at the decision by BSC to sell its plastic pipe subsidiary, Victolic, to its management, although 30 per cent is still owned by the corporation.

The company has slimmed down considerably in recent years, having reduced its work force by about a third between 1979 and 1980, but new investment has accompanied these measures, with the result that it should be an attractive proposition for prospective buyers.

Lorne Barling

Pipe bundling at the Stanhope plant

PROFILE: BOOTS

Doctor with 70,000 practice

DR PETER MAIN, the chairman of Boots, believes in delegation. Indeed, it is the streamlining of the management structure and the decisiveness of his actions that have characterised the period since he took over in 1982 as head of the £1,670m a year aspirin to audi-visual group with its headquarters in Nottingham.

The Stock Market has warmed to the lift in profits given to the pharmaceutical and retailing giant with a previously fairly staid public image. Dr Main, a Scotsman with a love of fly fishing, is a former surgeon and GP, decorated when he served with a commando brigade during the Suez landings in 1956.

He has adopted a high public profile. Attention has focused upon the launch of Nurofen which Boots claims is the first non-prescription painkiller since paracetemol and aspirin.

While the stockbrokers try to assess the impact of Nurofen on the potentially lucrative U.S. market, the general public is absorbed by the application from Boots—with its austere nineteenth century image—for a wines licence in its big Birmingham store.

For Dr. Main, who joined Boots in 1957 as a medical officer concerned with trials of new products in tropical medicine, Nottingham is home.

The 300-acre site could be seen as a microcosm of what has happened to the national economy over the past 50 years. The old building might remain, for there is a concern for tradition, but the new technology has been installed. Employment at the Nottingham headquarters has dropped in recent years—but at 7,500 still represents more than one in 10 of Boot's 70,000-strong UK labour force.

Dr Peter Main, chairman of Boots: streamlining the management structure

Dr Main is conscious that the recession which has swept the UK might have been less severe in the East Midlands, because of the diversity of its employment.

He acknowledges that unemployment has been a factor enabling management to reassert its right to manage. But he insists: "There is no spirit of fear stalking the corridors of Boots."

Dr Main, a keen advocate of worker consultation and participation, objects to the requirement from the European Commission to present an annual report on progress.

He says his message to employees is optimistic but not complacent. In five years' time he insists: "We will be here. We will be flourishing. We will be profitable."

Arthur Smith

Industrial diversity

CONTINUED FROM PREVIOUS PAGE

In the bio-technology field, Speywood Laboratories, has invented a new technique for replacing human blood with a form of protein grown in yeast, and has received £4m backing from the British Technology Group and Prutech.

Kodak is also an important local company, having established a film finishing and packaging plant on a 230-acre site at Ashfield, where around 350 people are employed. It is expected that several thousand people will be employed on the site in the long term.

Co-operation between Nottingham University and local industry is likely to be improved soon with the establishment of a science park adjacent to the university, where the city council has invested around £250,000 in infrastructure.

The city council is also supporting the creation of the Nottingham Fashion Centre, which will be a show-place for the local textile and clothing industries. Use of the facilities by local companies will be free, and it will be financed initially by the Government's inner city scheme.

Another ambitious project being undertaken by the council is an "advanced business centre," which is also supported by Plessey. This will be a 20,000 to 30,000 sq ft area of office space in which around 3,000 sq ft will be dedicated to Plessey office equipment. Tenant companies will thereby have access, on a rental basis, to the equipment.

Industrial property in the Nottingham area has been in fairly good demand since October last year, according to Mr Philip Giles, a partner at agents Nattrass Giles. He believed that there would be a continuation of this trend for the rest of this year, particularly around the city of Nottingham.

He pointed out that the take up of space on two major industrial sites, Robin Hood Street in the city centre, and at Nottingham South Industrial Estate, had been good in recent months. Although there had been a number of incentives offered to prospective tenants, he said that prices were now firmer and lettings at around £1.85 a sq ft were now taking place frequently.

The market for smaller units was mainly being met by those built by the county and city councils, although there were signs that private developers were looking at this market more closely.

Industrial development in the county therefore has little to restrain its progress, and with important initiatives being carried out both by the county and city councils, its impact on unemployment is expected to be felt soon.

However, this is expected to be concentrated to some extent in the Nottingham area, and for that reason it is expected that new efforts will be made to increase employment in the regional black spots.

L. B.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

Colonial Mutual Group
24 Ludgate Hill, EC4P 4BD. 01-248 9861
Capital Life Assurance

Key Inv Fd	—	127.95	....	—
Pemkr Inv Fd	—	126.46	....	—
Equity Fd	109.86	115.64	....	—
Fxd Int Fd	105.63	111.21	....	—
Prop Fd	102.02	108.44	....	—
Cash Fd	101.43	106.77	....	—
Managd Fd	111.37	117.23	..	—

Col Mut Life (Pension Annuities)

MdPnCpA.B	99.30	104.54	−0.03	—
MdPnInvA.B	99.57	104.82	+0.04	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAmAcFb18	—	157.86	+0.51	—
VarAnnFb24	—	34.39	+0.11	—

Continental Life Assurance PLC
64 High St Croydon CR0 9XN 01-680 5225

Equity Acc	177.9	187.3	....	—
Propty Acc	159.4	167.8	....	—
Int Acc	149.2	157.1	....	—
Managd Acc	171.9	181.0	....	—
Spec Sits	127.9	134.7	....	—
Pen Int Acc	142.5	150.1	....	—
Pen Prp Acc	177.6	187.0	....	—
Pens Equity	207.6	218.6	....	—
Pen Mg Acc	167.5	176.4	....	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 046862-5033

PenMnyAcc	128.2	134.9	....	—
Pen Mng Int	116.5	122.6	....	—

Cash Cap	98.8	104.0		—
Cash Acc	101.5	106.9	+0.1	—
UK Eq Cap	110.2	116.1	+0.2	—
UK Eq Acc	113.3	119.3	+0.3	—
FixedIntCap	102.1	107.5	....	—
FixedIntAcc	104.8	110.4	....	—
IndxLkdCap	89.6	94.4	....	—
Index Lkd Acc	92.2	97.1	....	—
Mixed Cap	103.4	108.9	+0.1	—
Mixed Acc	106.3	111.9	+0.1	—
O'seasFdAc	100.8	106.2	....	—
O'seas Acc	103.6	109.1	....	—
Property Cap	95.1	100.2	+0.1	—
Property Acc	97.8	103.0	+0.1	—

General Portfolio Life Ins Co Ltd
Crossbrook St, Cheshunt, Herts. Waltham Cross 31971

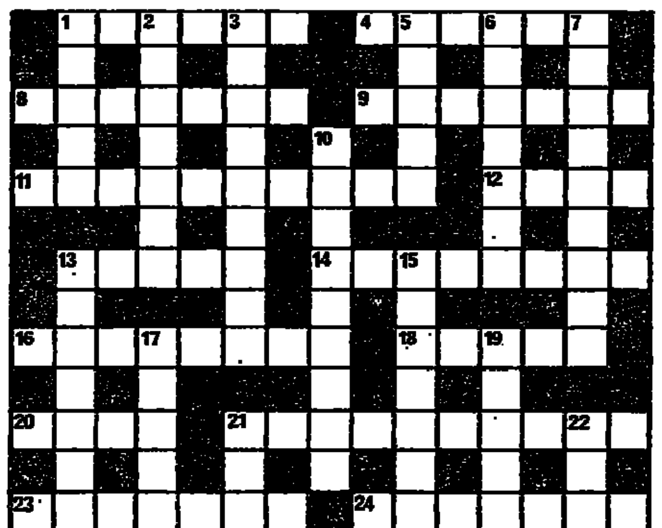
PrtfloFdInA	258.7	272.5	+1.1	—

Offshore & Overseas—continued

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417

S&MlyT.	$11.25	11.75	+0.04	—

F.T. CROSSWORD PUZZLE No. 5,347



ACROSS

1 Your first task about midnight is making a dairy product (6)
4 Choke is left out (6)
8 Song that once charmed Ulysses (7)
9 Defeat the other side (7)
11 It's not openly played (6, 4)
12 Miss out certain doctrines (4)
13 Belief in sacred office (5)
14 They don't believe he requires foreign capital (8)
16 High points of a student's career? (3, 5)
18 It may develop into friendship (5)
20 Given employment? (4)
21 Hammer the piano keys for money? (5, 5)
23 Regret being about to level out income (7)
24 Listens out for recruits (7)
25 States differ—so do these (6)
26 A famous man, but there's no side about him (6)

DOWN

1 Long time before the end of autumn (5)
2 It helps to secure temporary accommodation (3-4)
3 River rose, possibly, to fill it? (9)
5 An article with myself as subject (5)
6 Rubens, perhaps, misrepresented himself (7)
7 Yes, one may make it without exertion (4, 5)
10 Is open-handed or uses one's fists? (6, 3)
13 Look-out, it may have a high tar content (5, 4)
15 Performed in a group of profligate character (9)
17 Infuriates with fresh demands (7)
19 Examples of the more subtle type of humour that is found in clubs (7)
21 Father to avail himself of a temporary rest (5)
22 We hear school meals should be this (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Money Market Trust Funds

	Nom	APR	Int or	Notice
Mallinhall Ltd				
36 Berkeley Sq. W1X 5DA. 01-499 6634				
Mal'hallMyFd	8.85	9.18	Qtr	Call
The Money Market Trust				
63 Qn Victoria St EC4N 4T. 01-236 0952				
Call Fund	8.79	9.02	6mth	Call
7-day Fund	8.88	9.12	6mth	7day
Oppenheimer Money Management Ltd				
66 Cannon St. EC4P 4ST. 01-236 0233				
Call Fund	8.75	8.94	6mth	Call
7-day £	8.79	8.99	6mth	7day
HighIntDpAcc	6.75	8.94	6mth	7day
Dollar	8.50	8.68	6mth	2day

Money Market Bank Accounts

	Nom	APR	Int or	Notice
Aitken Hume				
1 Worship St. EC2A 2HQ 01-638 6070				
TreasuryAcc	8.875	9.175	Qtr	Call
MonthlyAcc*	8.30	9.16	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2P 2EH. 01-628 8060				
Cheque Acc*	8.80	9.16	Mth	Call
Britannia Gp of Investment Companies				
29 Finsbury Circus. EC2M 5QL. 01-588 2777				
Cater Allen*	8.75	9.245	Mth	Call
Charterhouse Japhet PLC				
1 Paternoster Row, EC4M 7DH 01-248 3999				
Sterling*	9.00	9.38	Mth	Call
U.S. Dollar	9.63	10.50	Mth	Call
German Marks	5.50	[illegible]	Mth	Call
Swiss Francs	1.50	[illegible]	Mth	Call

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Feb 14	156 1	164 4	...	—
Australian Feb 14	117.0	123.2	...	—
British Feb 14	136.8	144 0		—
Commodity Feb 14	135.9	143.1		—
Extra Inc Feb 14	127 9	134.7		—
Far Eastern Feb 14	130.9	137 8		—
Gilt Feb 14	105.1	110 7		—
Global Strat Feb 14	187.2	197 1		—
Gold Share Feb 14	77 7	81.8		—
High Inc Feb 14	133.0	140 1		—
Income Feb 14	162 7	171.3		—
Japan Feb 14	179.3	188.8		—
Oil & Energy Feb 14	124.8	131.4		—
Special Sits Feb 14	144 9	152.6		—
UK Smllr Cos Feb 14	138.6	145.9		—
Man Gwt Feb 14	160 0	168 5		—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

"Asset Builder"	67.5	71.5	..	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Feb 1	65 9	71.1	....	—
MM Flexible Feb 1	56.8	59.9		—
Fixed Interest Feb 1	56 8	59 9		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	315 1	—	-0.8	—
Invest. Tst. Fd. Acc.	338 1	—	-0 8	15.5
Property Fund Cap	118 0	—	+0.1	—
Property Fund Acc.	126 1	—	+0.1	5 1

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	290 4		—
Property Fund (A)	282 1		—
Agricultural Fund	1,137 9		—
Agric. Fund (A)	1,107 1		—
Abbey Nat. Fund	232.1	...	—
Abbey Nat. Fd. (A)	231.1		—
Investment Fund	141.6	+0.1	—
Investment Fund (A)	138 6	+0 1	—
Equity Fund	444.9	+0.6	—
Equity Fund (A)	436.1	+0 6	—
Money Fund	221.2	+0.3	—
Money Fund (A)	217 1	+0 3	—
Actuarial Fund	229.6		—
Gilt-edged Fund	194 7	-0.1	—
Gilt-Edged Fd. (A)	194.7	-0.1	—
Retire Annuity	360 6		—
Immed Ann'ty	192.0		—
International Fd	261.1	-0 8	—
Bldg. Soc. Life Fd.	107 3		—

Property Growth Pensions & Annuities Ltd.

All Wther Ac. Uts.	271.7	286.0	......	—
Inv. Fd. Uts.	278.4			—
Pension Fd. Uts.	260.3			—
Conv. Pens. Fd.	303 6			—
Cnv. Pns. Cap. Ut.	224 8		..	—
Man. Pens. Fd.	352.0			—
Man. Pens. Cap. Ut.	271.0			—
Prop. Pens. Fd.	287.8			—
Prop. Pens. Cap. Uts.	215.8			—
Bldg. Soc. Pen. Ut.	263 7			—
Bldg. Soc. Cap. Ut.	200.6			—
Gilts Pens. Fd.	175 0		+0 1	—
Gilts Pens. Fd. Cap	151.2			—
Equity Pens. Fd.	282.2		+2.0	—
Equity Pens. Fd. Cap.	244 4		+1.7	—
Intl. Pens Fd	98.2		+0.2	—
Intl Pens Fd Cap	97 7		+0.2	—

OFFSHORE AND OVERSEAS

Gilt & Option Fd	£1.19	1.25	.	2.50
US $ Option	$0 77	0 82	.	—

World Wide Growth Management◊
10a Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.66	+0.02	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd. London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	21 9	22.8	-2.2	—
Chinese Fund	60 9	63 4		—
Precious Metal Fund	133 3	138 7	+7 0	—
Vanguard Cmdy. Fd.	33 4	34 3	-1 2	—
Financial Futures Fd	60 8	63.3		—
Wren Intl Fnd*	$0 731	0 761	. .	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ø Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
22N	22May	Exchequer 14pc. 1984	101¼	17.10	13.85	9.44
19D	19Jun	Exch. 3pc 1984	98¼	14.11	3.05	8.41
26Mar	26S	Treasury 12pc 1984	101⅞	22.8	11.82	9.14
22Aug	22F	Treasury 15pc 1985	104⅞xd	16.1	14.29	9.67
22S	22Mar	Exch. 12pc Cnv. '85	102½xd	14.2	11.71	9.57
21N	21My	Treasury 3pc 1985	94⅞	17.10	3.18	7.79
15Jan	15Jul	Treasury 11½pc 1985	102⅝	9.12	11.23	9.63
3 Mar	3 Sept	Treas 8¾pc Cnv '85	99⅛xd	25.1	8.80	9.14
22May	22N	Exch. 12¼pc 1985	103½	17.10	11.84	9.97
25 Aug.	25F	Exch. 11¼pc '86	103⅛xd	19.1	11.49	10.02
—		Treas 10pc Cnv 1986	100⅝	—	9.94	9.64
19N	19May	Treasury 3pc 1986	89⅝	13.10	3.34	8.01
19 Nv	19 My	Exch. 10½pc Cv '86	101¼	13.10	10.38	9.91
12D	12Jun	Treasury 12pc '86	103¼	7.11	11.62	10.34
10Ja	10Jul	Treasury 8¾pc '84-86‡‡	98¼	5.12	8.65	9.32
29Apr	29Oct	Exch. 14pc 1986	107½	22.9	13.00	10.59
21 May	21 N	Exch 2½pc 1986	86⅞	18.1	2.89	8.02
22Jul	22Jan	Exch. 13¼pc 1987	106⅞	16.12	12.45	10.60
10 Fb	10 Ag	Treas 10¼pc Cnv '87	99⅝	—	10.29	10.38
24 Fb	24 Aug	Exchequer 2½pc 1987	85½xd	18.1	2.92	7.93
Oct 6	Apr 6	Exch. 10½pc 1987	99⅝	1.9	10.54	10.62
1N	1May	Funding 6½pc '85-87‡‡	92½	26.9	7.03	9.25
12 Jun	12 D	Treas 10pc 1987	98¼	—	10.18	10.60
14Ja	14Jul	Treasury 3pc 1987	84⅝	8.12	3.55	8.28
3 May	3N	Treas 12pc 1987	103½	27.9	11.59	10.79
26Jul	26Ja	Treasury 7¾pc '85-88‡‡	94½	20.12	8.20	9.44
10 My	10 Nv	Exch 10½pc '88	99⅞	4.10	10.56	10.65

Five to Fifteen Years

Over Fifteen Years

Undated

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Australians

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		♥Eagle Corp 10c	18¾	5.9	—	—	—
—		♥Emperor Mines	225	—	—	—	—
—		♥Endeavour 20c	14	—	—	—	—
—		♥Enterprise Gld Mines	31	—	—	—	—
Apr	Oct	♥GM Kalgoorlie 25c	620	28.9	hQ10c	♦	1.1
—		♥Grt. Eastern Mines	22½	—	—	—	—
—		♥Great Victoria Gold	25	—	—	—	—
—		♥Haoma NW	22	—	—	—	—
—		♥Hill Minerals N.L.	34	17.10	—	—	—
—		♥Intnl Mining	20	—	—	—	—
—		♥Ivanhoe Gld. N.L.	9½	—	—	—	—
—		♥Jingellic Minerals	35	—	—	—	—
—		♥Kalbara Min 20c	18	—	—	—	—
—		♥Keywest Invs.	34	—	—	—	—
—		♥Kitchener NL 25c	84	—	—	—	—
—		♥Meekatharra 25c	56	—	—	—	—
October		♥Metals Ex 50c	42	9.81	n—	—	—
—		♥Metana Minerals N.L.	176	—	—	—	—
—		♥Mevramar Mins 20c	39	—	—	—	—
Oct.	Apr.	♥MIM Hldgs 50c	222	12.2	Q5c	1.5	1.5
—		♥Mincorp 20c	14½	—	—	—	—
—		♥Minefields Expl 25c	4	—	—	—	—
—		♥Newmetal 20c	30	—	—	—	—
June	Nov	♥North B Hill 50c	190	19.11	tQ8c	1.4	2.8
—		Nth. Kalgurli	79	—	—	—	—
May	Nov.	♥Oakbridge 50c	64	30.4	Q7c	1.5	7.5
—		♥Otter Expl'n NL	47½	—	—	—	—
—		♥Pancont'l 25c	88	—	n—	—	—
—		♥Pan Pacific Pet NL	7	—	—	—	—
—		Paringa Mng & Expln 5p	64	—	—	—	—
Apr.	Oct.	♥Peko-Wallsend 50c	376	15.3	G05c	8.2	0.9
—		♥Pelsart Res NL	15½	—	—	—	—
October		♥Renison 50c	248	—	Q10c	8.1	2.8
—		♥Do Defd	235	—	—	—	—
—		♥Samantha Expl'n NL	41	—	n—	—	—
—		♥Samson Expl'n NL	28	—	—	—	—
—		♥Selltrust 50c	68	—	—	—	—
—		♥Sons of Gwalia N.L.	45	—	—	—	—
—		♥Sthn. Goldfields	18	—	—	—	—
—		♥Southern Pacific	10½	—	—	—	—
—		♥Southern Res	118	—	—	—	—
—		♥Southern Ventures 25c	7½	—	♦	—	—
—		♥Swan Res 20c	19	—	—	—	—
—		♥Tunax Res N.L.	70	—	—	—	—
—		♥United Goldfields	39½	—	—	—	—
—		♥West Coast 25c	18	—	—	—	—
—		♥Western Cont. 50c	12½	—	—	—	—
Oct.	May	Westn. Mining 50c	268	3.10	tQ2c	7.6	0.5
—		♥Whim Creek 20c	238	—	—	—	—
—		♥Windsor Res. NL	18	—	—	—	—
—		♥York Resources	28	—	—	—	—

Tins

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
Apr.	Nov.	Ayer Hitam $M1	220	28.11	vQ85c	1.0	11.6
Feb	July	Geevor	165	12.12	24.0	—	3.5
November		Gold & Base 12½p	11	10.74	—	—	—
Jul Jan	Apr	Gopeng Cons.	395	25.4	♦20.0	1.4	7.2
Mar	Aug	Hongkong	575	6.81	—	—	—
July		Jantar 12½p	18	6.6	1.5	0.2	11.9
Jan	Sept	Kamunting $M0.50	200	7.12	hQ27½c	0.8	4.1
Dec	Aug	Malaysia Mng. 10c	67	31.10	tvQ11c	0.9	‡
—		♥Pahang	43	27.11	B—	—	—
July		Pengkalen 10p	500	11.4	1.0	—	0.3
June.	Jan.	Petaling $M1	300	17.10	vQ130c	♦	12.1
Jan	Sept	Sungei Besi $M1	260	30.12	tvQ185c	1.1	‡
—		♥Supreme Corp M$1	67	9.74	vhQ3½c	♦	1.7
Mar	July	Tanjong 15p	240	6.81	g3.5	—	2.1
Sept.	Mar.	♥Tongkah H. Tin $M1	218	21.5	vQ5c	1.6	0.7
Oct.	June	Tronoh $M1	250	3.10	vQ90c	1.1	10.8

Miscellaneous

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		Admiral Mines	18	—	—	—	—
—		♥Anglo-Dominion	78	—	—	—	—
—		♥Anglo Utd. Dev.	49	—	—	—	—
—		♥Centennial Minerals	385	—	—	—	—
—		♥Colby Res Corp.	135	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c.	818	16.1	100c	♦	7.2
Feb	Aug	Eastern Trans Cons 50c	£17	30.12	Q85c	4.9	2.5
Sept	Feb	Hampton Areas 10p	225	30.12	3.75	2.1	2.2
—		♥Highwood Res	185	—	—	—	—
May	Aug	Homestake Mining $1	£21½	2.2	Q20c	—	0.7
October		Northgate C$1	275	9.77	—	—	—
Jan.	July	R.T.Z.	653	31.10	c17.0	2.9	3.7
Jan	July	Do 9½%Cv.Uns.Ln.'95-2000	£145½	31.10	Q9½%	32.5	16.6
—		♥Sabina Inds C$1	98	—	—	—	—
—		♥Tara Expln $1	£18	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ☐ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▮ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv. 20p.	76	......	Fin. 13% 97/02	£97¾	+⅛
Craig & Rose £1	900	......	Alliance Gas	85	......
Finlay Pkg. 5p	46	......	Arnott	217	......
Higsons Brew	93	+8	CPI Hldgs.	84	......
Holt (Jos) 25p	890	......	Carrol Inds.	115	......
I.O.M. Stm. £1	122	......	Hall (R. & H.)	61	......
			Helton Hldgs.	25	......
			Irish Ropes	54	......
IRISH			Jacob (W. & R.)	67	......
Exch. 12% 1985	£99	......	T.M.G.	70	......
Nat 9¾% 84/89	£86½	+⅛	Unidare	77	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	24
Boots	17	"Lofs"	3	Peachey	17
Bowaters	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	20	**Oils**	
Burton Ord.	38	Midland Bank	42		
Cadburys	11	N.E.I.	10	Bristol Oil & Min.	6
Courtaulds	11	Nat. West. Bank	55	Brit. Petroleum	35
Debenhams	14	P & O Dfd.	22	Burmah Oil	16
Distillers	20	Plessey	20	Charterhall	8
Dunlop	5	Racal Elect.	18	Premier	5
Eagle Star	60	R.H.M.	7	Shell	50
F.N.F.C.	6½	Rank Org. Ord.	29	Tricentrol	20
Gen. Accident	42	Reed Intnl.	34	Ultramar	60
Gen. Electric	17	Sears	8		
Glaxo	75	T.I.	14	**Mines**	
Grand Met.	30	Tesco	16		
G.U.S. 'A'	55	Thorn EMI	55	Charter Cons.	22
Guardian	45	Trusthouse	16	Cons. Gold	50
G.K.N.	26	Turner & Newall	8	Lonrho	8
Hawker Sidd	32	Unilever	75	Rio T. Zinc	58

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

A move against the dollar

BY COLIN MILLHAM

The dollar has looked a likely candidate for a sharp downward adjustment for some weeks. Sentiment moved against the currency as the civil war in the Lebanon and indications from the Federal Reserve Board that interest rates will remain firm in the near future failed to give it any significant boost. Public holidays in the U.S. for Lincoln's and Washington's birthdays have kept the foreign exchanges fairly quiet, but the market continued to view the D-mark as undervalued, and the movement away from Wall Street and into Frankfurt grew stronger.

Uncertainty about East-West relations after the death of Soviet President Andropov was not a major factor, and the election of Mr Konstantin Chernenko as the new leader of the Soviet Union also failed to have any impact. Later in the week rumours abounded about President Reagan's ill health, and this added to the dollar's general air of depression, without making any strong impression after it was strongly denied by the White House.

As expected the U.S. economy showed stronger growth in January than at the end of last year. Retail sales rose by 2.2 per cent, compared with markets estimates of about 1.5 per cent, and against an increase of only 0.1 per cent in December. Industrial production rose by 1.1 per cent in January, but this was regarded as mildly disappointing and added to the move of sentiment against the dollar. January housing starts were up 1.92m, against an anticipated figure of about 1.75m, but this too failed to put any firm foundation under the dollar, which ended the week looking nervous and vulnerable.

Dealer s suggested that the dollar had a chart sensitive point of DM 2.72 against the D-mark, and once the currency dipped below that level it quickly fell to about DM 2.67 before stabilising once again.

The need to keep weak members of the EMS, such as the Belgian franc, in line with the D-mark may have even prevented the dollar from falling faster against the German unit.

There were few factors influencing sterling, but the market was mildly encouraged by the public sector borrowing requirement figures, and January's final money supply, confirming a slow down in monetary growth. On Friday the pound rose above $1.45 for the first time this year.

£ in New York

	Feb. 17	Prev. close
Spot	$1.4495-4510	$1.4465-4475
1 month	0.08-0.09 dis	0.07-0.09 dis
3 months	0.25-0.28 dis	0.23-0.26 dis
12 months	1.26-1.31 dis	1.05-1.10 dis

£ forward rates are quoted in U.S. cents discount.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4505	1.4513	1.4532	1.4564	1.4633
D-Mark	3.8925	3.8825	3.8600	3.8202	3.7710
French Franc	11.97	12.0150	12.1525	12.3300	12.6810
Swiss Franc	3.1850	3.1700	3.1400	3.0988	3.3493
Japanese Yen	338.5	337.7	336.2	333.8	329.1

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9375	+2.31	+1.96	±1.5447
Danish Krone ...	8.14104	8.18493	+0.54	+0.19	±1.6425
German D-Mark	2.24184	2.24270	+0.04	−0.31	±1.0642
French Franc ...	6.87456	6.91190	+0.54	+0.19	±1.4052
Dutch Guilder ...	2.52595	2.53019	+0.17	−0.18	±1.4864
Irish Punt	0.72569	0.728422	+0.38	+0.03	±1.6699
Italian Lira	1403.49	1386.35	−1.22	−1.22	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Feb. 17	Feb. 10		Feb. 17	Feb. 10
Bills on offer	£100m	£100m	Top accepted rate of discount	8.8643%	8.8643%
Total of applications	£627.755m	£626.93m	Average rate of discount	8.8632%	8.8550%
Total allocated	£100m	£100m	Average yield	9.06%	9.05%
Minimum accepted bid	£97.79	£97.79	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	39%	22%			

THE POUND SPOT AND FORWARD

Feb 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4420-1.4535	1.4500-1.4510	0.05-0.10c dis	−0.62	0.24-0.29dis	−0.73
Canada	1.8000-1.8135	1.8085-1.8095	0.05-0.15c dis	−0.66	0.20-0.30dis	−0.55
Nethlnd.	4.36¼-4.39½	4.38½-4.39½	1⅜-⅞c pm	3.07	3⅝-3¼ pm	3.19
Belgium	79.25-79.85	79.65-79.75	12-22c dis	−2.56	55-65 dis	−3.01
Denmark	14.12-14.23	14.19-14.20	1½-2½ore dis	−1.64	5⅞-6⅞ dis	−1.80
Ireland	1.2560-1.2650	1.2620-1.2630	0.28-0.34p dis	−2.95	0.86-0.98dis	−2.91
W. Ger.	3.86½-3.90	3.88¼-3.89¼	1⅛-⅜pf pm	3.08	3½-3 pm	3.34
Portugal	192.00-194.00	193.40-193.90	260-520c dis	−24.17	680-1265dis	−20.09
Spain	221.25-223.00	222.50-222.70	170-190c dis	−9.70	525-580 dis	−9.93
Italy	2395-2410	2404-2406	14½-16½lire dis	−7.73	46¼-49¼dis	−7.94
Norway	11.04½-11.11½	11.09-11.10	3⅝-3⅞ore dis	−4.05	10⅛-10⅞dis	−3.76
France	11.91-12.02	11.96½-11.97½	4-5c dis	−4.51	17½-19 dis	−6.10
Sweden	11.49-11.57	11.55½-11.56½	1⅝-2⅜ore dis	−2.01	4½-5⅛ dis	−1.69
Japan	336-339½	338-339	0.80-0.70y pm	2.66	2.45-2.35 pm	2.84
Austria	27.25-27.50	27.43-27.48	7½-6½gro pm	3.03	22½-19½ pm	3.05
Switz.	3.16-3.19½	3.18-3.19	1¾-1¼c pm	5.65	4½-4¼ pm	5.65

Belgian rate is for convertible francs. Financial franc 82.30-82.40. Six-month forward dollar 0.56-0.61c dis. 12-month 1.23-1.33c dis.

THE DOLLAR SPOT AND FORWARD

Feb 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4420-1.4535	1.4500-1.4510	0.05-0.10c dis	−0.62	0.24-0.29dis	−0.73
Ireland†	1.1460-1.1500	1.1475-1.1485	0.22-0.19c pm	2.14	0.66-0.58 pm	2.16
Canada	1.2460-1.2484	1.2470-1.2475	0.03-0.01c pm	0.19	0.07-0.05 pm	0.19
Nethlnd.	3.0220-3.0300	3.0240-3.0260	1.00-0.90c pm	3.76	3.02-2.92 pm	3.92
Belgium	54.95-55.05	54.95-54.97	8-10c dis	−1.96	29-33 dis	−2.25
Denmark	9.7850-9.8050	9.7875-9.7925	par-½ore dis	−0.31	par-½ dis	−0.10
W. Ger.	2.6735-2.6890	2.6810-2.6820	0.91-0.86pf pm	3.96	2.79-2.74 pm	4.12
Portugal	133.00-133.90	133.00-133.50	175-350c dis	−23.57	450-850dis	−19.45
Spain	153.00-153.55	153.45-153.55	110-125c dis	−9.18	340-380 dis	−9.38
Italy	1658-1661½	1658-1659	9¼-9¾lire dis	−6.86	29½-30½dis	−7.16
Norway	7.6570-7.6710	7.6575-7.6625	1.80-2.30ore dis	−3.21	5.60-6.10dis	−3.05
France	8.2425-8.2900	8.2525-8.2575	2.50-2.70c dis	−3.77	10.50-11.0d	−5.20
Sweden	7.9670-7.9800	7.9750-7.9800	½-1ore dis	−1.13	1½-2 dis	−0.88
Japan	232.80-233.60	233.05-233.15	0.69-0.65y pm	3.45	2.08-2.03 pm	3.52
Austria	18.85-18.95	18.88-18.88	6.00-5.40gro pm	3.61	19.25-17.25pm	3.85
Switz.	2.1890-2.2020	2.1935-2.1945	1.20-1.15c pm	6.42	3.55-3.50 pm	6.43

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.75-56.80.

OTHER CURRENCIES

Feb. 17	£	$		£ Note Rates
Argentina Peso	40.32-40.53	27.78-27.90	Austria	27.20-27.50
Australia Dollar	1.5325-1.5345	1.0570-1.0576	Belgium	81.50-82.30
Brazil Cruzeiro	1,637.3-1,647.1	1,128-1,134	Denmark	14.08-14.22
Finland Markka	8.3550-8.3620	5.7600-5.7560	France	11.88-12.00
Greek Drachma	145.95-146.35	100.95-101.25	Germany	3.86-3.90
Hong Kong Dollar	11.282-11.292	7.7755-7.7775	Italy	2370-2405
Iran Rial	123.50*	87.95*	Japan	335-340
Kuwait Dinar (KD)	0.424-0.425	0.29315-0.29325	Netherlands	4.35½-4.39½
Luxembourg Fr.	79.65-79.75	54.95-54.97	Norway	11.02-11.13
Malaysia Dollar	3.3640-3.3900	2.3325-2.3340	Portugal	190-205
New Zealand Dlr.	2.1900-2.1950	1.5095-1.5115	Spain	218-230½
Saudi Arab. Riyal	5.0710-5.0765	3.5020-3.5035	Sweden	11.46-11.57
Singapore Dollar	3.0830-3.0890	2.1250-2.1265	Switzerland	3.16-3.19
Sth African Rand	1.7730-1.7755	1.2225-1.2255	United States	1.43½-1.45½
U.A.E. Dirham	5.3170-5.3240	3.6720-3.6730	Yugoslavia	202-208

* Selling rates.

CURRENCY MOVEMENTS

Feb. 17	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.5	−8.4
U.S. dollar	128.7	+16.9
Canadian dollar	91.5	+0.1
Austrian schilling	116.0	+3.5
Belgian franc	89.9	−11.7
Danish kroner	78.8	−5.8
Deutsche mark	126.3	+8.2
Swiss franc	149.2	+12.2
Guilder	115.2	+4.5
French franc	66.4	−15.3
Lira	48.5	−13.1
Yen	155.1	+11.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.725397	0.578016
U.S. $	8½	1.04899	0.834771
Canadian $	10.00	*	1.04188
Austria Sch.	3¾	19.8563	15.8189
Belgian Fr	11	57.6656	45.9375
Danish Kr.	7	10.2775	8.18493
D'mark	4	2.81632	2.24270
Guilder	5	3.17587	2.53019
French Fr	9½	8.66196	6.91190
Lira	16	1741.65	1386.35
Yen	5	244.520	194.894
Norwgn Kr	8	8.03684	6.39727
Spanish Pta.	—	160.863	128.154
Swedish Kr.	8½	8.23434	6.55855
Swiss Fr.	4	2.30358	1.83625
Greek Dr'ch	20½	106.294	84.6040

* CS/SDR rate for Feb 16: 1.30917.

EXCHANGE CROSS RATES

Feb. 17	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.451	3.893	338.5	11.97	3.185	4.390	2405.	1.809	79.70
U.S. Dollar	0.689	1.	2.682	233.1	8.250	2.194	3.025	1659.	1.247	54.95
Deutschemark	0.257	0.373	1.	86.96	3.075	0.818	1.128	617.9	0.465	20.48
Japanese Yen 1,000	2.954	4.285	11.50	1000.	35.36	9.409	12.97	7105.	5.344	235.5
French Franc 10	0.835	1.212	3.252	282.8	10.	2.661	3.668	2009.	1.511	66.58
Swiss Franc	0.314	0.455	1.222	106.3	3.758	1.	1.378	755.1	0.568	25.02
Dutch Guilder	0.228	0.330	0.887	77.11	2.727	0.726	1.	547.8	0.412	18.15
Italian Lira 1,000	0.416	0.603	1.619	140.7	4.977	1.324	1.825	1000.	0.752	33.14
Canadian Dollar	0.553	0.802	2.152	187.1	6.617	1.761	2.427	1329.	1.	44.06
Belgian Franc 100	1.255	1.820	4.884	424.7	15.02	3.996	5.508	3016.	2.270	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9⅛-9¼	9½-9¾	9¼-9¾	5⅞-6	1¼-1½	5½-5⅝	12½-12¾	15¾-16¾	10¼-10¾	10¼-10¾	5¾-5⅞	10⅝-11⅛
7 days' notice	9⅛-9¼	9⅝-9½	9⅜-9¾	5⅞-6	1¼-1⅛	5⅞-5⅝	12⅝-12⅞	15-17¼	11-11½	10½-11	5⅞-6	10½-11
Month	9¼-9 5/16	9⅝-9⅞	9 7/16-9 11/16	5⅞-6	3 1/16-3 5/16	5⅝-5 11/16	13⅝-13⅞	16¾-17⅝	11½-12	11½-11¾	6⅛-6¼	10⅝-10⅞
Three months	9 7/16-9 9/16	9⅞-10⅛	9 9/16-9 11/16	5 11/16-6 1/16	3 5/16-3 9/16	5¾-5 13/16	15¼-15½	17⅛-17⅝	12¼-12¾	11¾-12	6 3/16-6 5/16	10¾-11¼
Six months	9½-9⅝	10 1/16-10 3/16	9⅞-10	6-6⅛	3¾-3⅞	5⅞-6	15½-15¾	17⅝-17⅞	12⅝-12⅞	11¾-12	6 5/16-6 7/16	10⅞-11⅜
One year	9 11/16-9⅞	10⅜-10⅝	10 1/16-10 5/16	6⅜-6½	4-4⅛	6 1/16-6 3/16	15¾-16	18-18⅛	12-12½	11¾-12	6½-6⅝	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 9 11/16-9 13/16 per cent: seven days 9 11/16-9 13/16 per cent: one month 9 11/16-9 13/16 per cent: three months 9⅞-10 per cent: six months 10 3/16-10 5/16 per cent: one year 10⅜-10½ per cent. Long-term Eurodollars two years 11-11⅛ per cent: three years 11½-11⅝ per cent: four years 12-12⅛ per cent: five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days notice.

MONEY MARKETS

London rates ease in dull trade

London money market interest rates eased slightly last week, following the better performance of sterling, which gained ground against Continental currencies and finished on Friday at the highest level this year in terms of the dollar.

The market was generally very dull however, reflecting a feeling that rates are unlikely to show much movement, and that the better January money supply figures will have to be followed by some more encouraging statistics before there is any chance of a cut in base rates.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

U.S. money supply has not appeared to be too much of a problem lately, but the Federal Reserve remains concerned about inflationary pressure, and will have taken note of the economic statistics published last week, pointing to increased economic growth last month.

There is also a factor of the U.S. Budget deficit and the need to attract funds to the programme of U.S. Treasury auctions, and against this background London traders remained pessimistic about any significant reduction in sterling rates.

In the absence of any active trading on the London money market rumours about take overs or mergers among the discount houses and money brokers tended to increase, but it came as something of a surprise when Alexanders Discount announced it had received an approach. It was known that Mercantile House had recently entered into unsuccessful talks with Gerrard and National, the largest house, and therefore the announcement on Friday that Mercantile was the suitor, and had succeeded in agreeing terms for the fourth largest house was not totally unexpected.

On the Continent there was little change in interest rates, but the Belgian National Bank raised its discount rate by 1 per cent to 11 per cent in an attempt to bring the Belgian franc off its floor within the EMS.

MONEY RATES

Feb. 17	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.4-5.5	12¾	1-2	5⅞-6	5.75625	16¾-17⅛	10.5	—
One month	5.45-5.55	12⅜-12½	3-3⅛	5⅞-6	6.15625	16⅝-17	11½-11¾	12 5/16-12 7/16
Two months	5.6-5.8	12⅜-12½	—	—	—	—	—	12 5/16-12 7/16
Three months	5.75-5.90	12½-12⅝	3 1/16-3 3/16	5⅞-6	6.28125	16⅞-17¼	11¼-12	12 5/16-12 7/16
Six months	5.85-6.00	12⅝-12¾	—	6-6⅛	—	—	11¾-12	12⅜-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 17 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7-15	9-9¼	7½-9⅜	7-9⅛	—	—	—	—	—
2 days notice	—	—	9⅛-9¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9 1/16-9¼	9⅛-9¼	9⅜	9-9⅛	—	—	—	—	—
One month	9 3/16-9¼	9¼-9 5/16	9¼	9⅜-9½	9-9⅛	9	8 27/32	9-9 1/32	8 27/32-9	9⅝
Two months	9 11/32-9 3/8	9 3/16-9⅜	9¼	9⅝	9-9⅛	8 13/16	8⅞-8 29/32	8 15/16-8 31/32	8 27/32-8 15/16	9 5/16
Three months	9⅜-9 7/16	9 5/16-9 7/16	9 5/16	9⅝	9-9⅛	8⅞	8 27/32	8⅞-8 29/32	8 27/32-8⅞	9½
Six months	9 7/16-9⅝	9½-9 5/16	9⅜	—	—	—	—	8 31/32	8 29/32-8 15/16	9 7/16
Nine months	9 9/16-9⅝	9⅝-9¾	9⅝	—	—	—	—	—	—	—
One year	9⅝-9 23/32	9¾-9⅞	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	9¼	9.75-9.85	8 11/16-8 13/16	9⅜-9½
Two months	9¾-9½	—	9 5/16	9.75-9.85	8 13/16-9 1/16	9 3/16-9 5/16
Three months	9¾-9½	—	9 7/16	9.8-9.9	9 1/16-9 3/16	9⅝-9¾
Six months	9¼-9	—	9⅝	10.0-10.1	9⅛-9⅜	9¾-9⅞
Nine months	9⅞-9½	—	9¾	10.0-10.1	—	—
One year	9¾-9⅝	—	9⅞	10.25-10.45	9½-9¾	10-10 3/16
Two years	—	10⅜	—	—	—	—
Three years	—	10½	—	—	—	—
Four years	—	10⅝	—	—	—	—
Five years	—	10¾	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from February 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5¾ per cent. Treasury Bills: Average tender rates of discount 8.8550 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent: one-three months 9½ per cent, three-six months 9¾ per cent: six-12 months 10¼ per cent. Under £100,000 9¼ per cent from February 6. Deposits held under Series 4-5 10¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. February 17)

3 months U.S. dollars	
bid 10	offer 10 1/8

6 months U.S. dollars	
bid 10 1/8	offer 10 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (4 pm)

Prime rate	11
Broker loan rate	10¼-10½
Fed funds	9½
Fed funds at intervention	9½

Treasury Bills

One month	9.50
Two month	9.15
Three month	9.15
Six month	9.32
One year	9.34

Treasury Bonds

Two year	99 21/32
Three year	99 11/32
Four year	99 15/32
Five year	100
Seven year	99 21/32
10 year	99⅛
30 year	99⅞

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.07	90.10	90.03	90.14
June	89.59	89.60	89.56	89.67
Sept	89.27	29.28	28.25	29.36
Dec	89.00	89.00	88.99	89.05
March	88.73	88.73	88.73	88.78

Volume 3,960 (3,609)
Previous day's open int. 12,143 (11,865)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.77	90.78	90.75	90.78
June	90.49	90.50	90.47	90.51
Sept	90.27	90.27	90.26	90.29
Dec	90.12	—	—	90.14
March*	90.02	—	—	90.03

Volume 977 (1,322)
Previous day's open int. 5,929 (5,728)
* £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	108-28	108-29	108-17	108-28
June	108-08	108-08	107-30	108-04
Sept	107-21	107-21	107-13	107-17
Dec	107-05	107-05	107-01	107-01
March	106-22	106-24	106-21	106-18

Volume 2,433 (1,518)
Previous day's open int. 3,932 (3,904)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 18 to 28 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4515	1.4525	1.4437	1.4450
June	1.4543	1.4550	1.4474	1.4475
Sept	1.4575	1.4575	1.4510	1.4502

Volume 331 (374)
Previous day's open int. 2,389 (2,445)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3746	0.3748	0.3732	0.3745
June	0.3784	0.3784	0.3770	0.3783
Sept	0.3816	0.3816	0.3813	0.3816

Volume 180 (277)
Previous day's open int. 385 (429)

SWISS FRANCS SWFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4581	0.4581	0.4573	0.4579
June	0.4650	—	—	0.4648
Sept	—	—	—	—

Volume 28 (226)
Previous day's open int. 227 (182)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4296	0.4299	0.4296	0.4305
June	0.4334	—	—	0.4344
Sept	—	—	—	—

Volume 160 (84)
Previous day's open int. 242 (220)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	69.13	69.25	69.12	69.30
June	68.24	69.05	68.24	69.10
Sept	68.05	68.18	68.05	68.23
Dec	67.20	67.31	67.20	68.06
March	67.04	67.15	67.04	67.22
June	66.21	67.00	66.21	67.07
Sept	66.07	66.19	66.07	66.25
Dec	65.26	66.29	65.26	66.12

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.81	90.86	90.80	90.90
June	90.42	90.48	90.41	90.53
Sept	90.13	90.18	90.11	90.24
Dec	89.89	89.93	89.88	89.99
March	89.67	89.74	89.67	89.78
June	89.51	89.56	89.50	89.61
Sept	89.35	—	89.31	89.45
Dec	89.19	—	89.16	89.29

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.24	90.28	90.23	90.37
June	89.70	89.76	89.68	89.80
Sept	89.33	89.38	89.33	89.43

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
March	89.75	89.81	89.75	89.83
June	89.26	89.31	89.25	89.37
Sept	88.93	89.92	88.92	89.03
Dec	88.65	88.70	88.65	88.74
March	88.37	88.42	88.37	88.47
June	88.14	88.16	88.13	88.22

STERLING (IMM) $s per £

	Close	High	Low	Prev
March	1.4520	1.4540	1.4446	1.4470
June	1.4550	1.4576	1.4480	1.4495
Sept	1.4580	1.4595	1.4520	1.4520
Dec	1.4610	1.4600	—	1.4545
March	1.4640	1.4630	—	1.4570

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	69-00	69-07	69-00	69-08
June	68-01	68-07	68-01	69-09
Sept	67-07	67-12	67-07	67-15
Dec	66-16	66-21	66-16	66-24
March	—	—	—	—
June	65-10	65-16	65-10	65-18
Sept	64-26	—	—	65-02
Dec	64-13	64-13	64-13	64-21

WEEKLY CHANGE IN WORLD INTEREST RATES

	Feb. 17	change
LONDON		
Base rates	9	Unch'd
7 day interbank	9 3/16	− 1/16
3 mth interbank	9⅜	− 1/16
Treasury Bill Tender	8.8632	− 0.0082
Band 1 Bills	9 1/16	Unch'd
Band 2 Bills	9	Unch'd
Band 3 Bills	8⅞	Unch'd
3 Mth. Treasury Bills	8 27/32	− 1/32
1 Mth. Bank Bills	9 1/32	Unch'd
3 Mth. Bank Bills	8 29/32	Unch'd
TOKYO		
One month Bills	6.15625	Unch'd
Three month Bills	6.28125	Unch'd
BRUSSELS		
One month	11⅝	+⅞
Three month	11⅞	+⅛
AMSTERDAM		
One month	5 15/16	+ 1/16
Three month	5 15/16	− 1/16

	Feb. 17	change
NEW YORK		
Prime rates	11	Unch'd
Federal funds	9½	Unch'd
3 Mth. Treasury Bills	9.12	+0.09
6 Mth. Treasury Bills	9.27	+0.18
3 Mth. C D	9.80	+0.30
FRANKFURT		
Lombard	5.50	Unch'd
One Mth. Interbank	5.50	−0.10
Three month	5.825	−0.15
PARIS		
Intervention Rate	12	Unch'd
One Mth. Interbank	12.4375	+0.125
Three month	12.5625	+0.25
MILAN		
One month	16 13/16	−1
Three month	17 1/16	−⅞
DUBLIN		
One month	12⅜	Unch'd
Three month	12⅜	Unch'd

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 8⅞.

FINANCIAL TIMES SURVEY

South Africa

After years of hesitation South Africa has committed itself to change, but critics at home and abroad question whether the reforms are significant. Frustration in the black majority is intensifying, fuelled by their exclusion from the new constitution

The balance sheet of reform

BY J. D. F. JONES

"REMEMBER RHODESIA" warned posters of the ultra-Rightwingers as they campaigned against South Africa's new constitution before last November's referendum. They were saying to white South African voters: Don't give an inch. See what happens when a white Government starts making concessions to the blacks.

In the event, white South Africa disagreed. The Prime Minister, Mr P. W. Botha, won a triumphant 66 per cent "yes" vote. It was a vote, it seems clear, in favour of "reform" of South Africa's internationally pilloried system of government, and many people felt that the republic had entered a new and more hopeful era.

Not that everyone would agree. For example, Pieter-Dirk Uys, South Africa's best satirist (he does a wicked impersonation of the Prime Minister), suggested that South Africa's concept of change was "to take down the signs but keep the gates locked." And he speaks in this instance for the body of opinion, at home and abroad, which is sceptical of Pretoria's good faith when it professes reform, casts doubt on the extent of change, and prefers a gloomier view of the future.

Both these views are strongly and sincerely held. After years of hesitation the South African Government has apparently decided that it is committed to change. Its critics deny that that change is significant. Both sides would agree that the degree to which they are right may determine whether or not South Africa is to have hope of a peaceful, let alone prosperous, future. How then—in a metaphor appropriate to this newspaper—should we draw up the balance sheet of South African reform?

It is undeniable that in terms of "social apartheid" South Africa has changed substantially in recent years: hence the surprise of visitors who have not been there for five or ten years. In hotels, restaurants, theatres, sporting events, shops, lavatories—some, though certainly not all, of the nonsense of old-fashioned apartheid has been killed. There is even speculation that the notorious Immorality Act—which forbids sex between people of different races—may be abolished, now that the coloured (mixed race) minority is about to be brought into parliament.

On the other hand, there is not the slightest prospect of any abolition of the Population Registration Act, which determines the parameters of a *person's life from birth, or the* Group Areas Act which divides this extraordinarily rich and beautiful country so disproportionately between its racial groups.

At the heart of reform lies the new constitution. The Prime Minister decided at last that his Afrikaners were divided and agreed to accept the support of some of the English-speakers in order to take command of the centre of the political spectrum. It has been a development of the very greatest importance.

The National Party, which has ruled unchallenged since 1948, is therefore now flanked to the Right by the breakaway anti-reformists of the Conservative Party and to the Left by the Progressive Federal Party, which is painfully aware that the government has stolen some of its reformist clothes and perhaps some of its voters.

The new constitution, so convincingly accepted *in* November by two-thirds of the white voters, is a dramatic example of reform and of its limits. Before the end of this year it will bring the coloured (2.5m people) and the Indian (0.8m) minorities into a tricameral parliamentary system in which white control, in a 4:2:1 ratio, is carefully entrenched.

Support

There will be one or two non-white Ministers in Cabinet—which will appal the Right-wing traditionalists but will be shown to the world as proof of South Africa's "changing face"—while the substance of power will remain firmly in white hands.

For the 22m blacks, no change is proffered in national as opposed to ethnic or *municipal terms. The old apar*theid blueprint still operates whereby South Africa is being fragmented into tribal homelands to one of which each and every black will belong. Eventually there will literally be no black South African citizens.

However, here too a degree of reformist realism has broken through. It is now officially admitted that the "urban blacks"—and they will *total* 27-30m people by the year 2000—are there to stay. It is also agreed, at least in reformist circles, that they will have to be given some sort of political rights. The landmark so far has been elections last November for 29 black municipal councils, and this system is going to be expanded rapidly. What happens after that remains obscure.

The other side of this particular coin is that the blacks in the towns are not showing much gratitude. The average poll in November was 21 per cent, *which Pretoria can hardly claim* as a resounding endorsement.

Their unanimous outrage at their exclusion from the new constitution, and their insistence on entering the referendum debate vociferously, was demonstrated by the way in which a moderate leader like Chief Gatsha Buthelezi, Chief Minister of Kwazulu, was speaking the same language as the radical leader of the recently-formed United Democratic Front, a grouping which clearly sets out to be the successor of the Congress movement of the 1950s.

Black anger continues to be fuelled by the policy of "resettlement," which seems largely unaffected by the reform climate. A major private research project recently claimed, in great detail that 3.5m blacks had been "removed" from their homes since 1960 and that at least another 1.5m were under threat of removal.

Mr P. W. Botha, the Prime Minister, has taken command of the political centre

The Government has angrily rejected these figures but does not deny that the policy stands of tidying up the scattered population into tribal areas, clamping down on squatters and enforcing the "influx control" which, with its pass laws, remains integral to the operation of the South African system.

At the same time, the Government's new recognition of the urban blacks has led to an important reformist breakthrough with the decision to allow blacks to buy their houses on a 99-year lease. A total of 500,000 houses have been released for sale, 350,000 of them for blacks, though so far sales are slow.

Meanwhile, the Government has been irritated by the activities of the courts, which in three important judgments last *year extended urban rights to* certain blacks, including long-serving migrant workers, in a manner which clearly ran counter to government intentions.

The Government's response will be a significant indication of its intentions and its reformist commitment, as will the fate during this parliamentary session of one of the Government's most controversial Bills, the candidly-named Orderly Movement and Settlement of Black Persons Bill, which in its present form proposes a rigorous tightening of influx control.

The contradictions in government policy affecting the blacks are not seen in the area where reform has made its major impact—labour relations. No one would argue with the senior official in the field, the conspicuously-reformist Dr Piet van der Merwe, when he says that South Africa has seen more radical changes in the labour *area in the last four years than* in the previous 20.

The policy—following the Government's acceptance of the Wiehahn Report—has been to remove discrimination, to minimise government interference and thereby to allow black unionisation (and strike action) to follow freely. More than half a million blacks are now unionised, and while some employers grumble and the papers are full of strike news, the world has not come to an end. The importance of this is very obvious in a society where, because free political expression is frustrated, the new unions take an extra role.

Education was another area where reform was anticipated in the wake of another important commission, the De Lange Report. No one in South Africa denies that the development of the country's economy demands an urgent transformation in the quality and level of education of its black population, but the Government hesitated a long time and, although it has now come out with policy guidelines which talk of equal facilities, the reformists have been disappointed.

This is one of the areas where very considerable financial resources will be required and the Exchequer is in no shape at present to cope with all the demands on it.

In the field of foreign policy, an end to the deadlock over Namibia's independence can only strengthen the cause of reform. (Certainly the funds required in connection with social reforms and constitutional change will make it desperately desirable to hold back defence spending.)

This month there are hopes of a ceasfire in the war on the Angolan border, but it remains to be seen whether the government will be prepared, at a suitable point in negotiations, to make any concession on its insistence that all Cuban troops remove themselves from Angola.

Until recently, the Government would have been nervous to "let Namibia go" because of its fear of Right-wing electoral reaction. Now, with the referendum victory for Mr Botha and the probability that the Conservative Party has been contained in the Northern Transvaal Bush — and also a new impression that the white public is getting weary of the long war and its steady toll of casualties — the government may *have decided to be braver.*

In all of these areas, the Western governments have continued discreetly to urge reform and change. But the American policy of "constructive engagement" had little to show for it until the recent hints of diplomatic developments in Namibia and Mozambique.

White South Africans can correctly say, "We are changing." Whether they are changing fast enough is a far more difficult matter and one where international opinion would be wise to take a cautious position. *Domestic enthusiasms* can be exaggerated; South African society is ordered in a way which makes it easy for affluent suburban whites to forget that in 16 years' time there will be 5m whites and 37m blacks, and that the allegiance of the Coloureds and Indians may not be relied upon.

It is difficult to avoid the impression that the frustrations of this black majority are intensifying even while the whites are increasingly unsure about the answer to their country's unique problems; the leader of the opposition, Dr Van Zyl Slabbert, made a similar point in parliament this month when in his motion of censure he accused the government of pressing on with apartheid although it no longer believed in it. What exactly it believes in will presumably become clearer as the "Second Republic" gets under way later this year.

CONTENTS

The new constitution gives limited promise of reform

Still no voice for majority

JUST AS the political scene was dominated last year by the campaign leading to the November referendum for the new constitution, so this year the politicians will be preoccupied with the implementation of that constitution—and with the consequences of that referendum vote.

Although only the white electors were consulted in November, the changes approved in the constitution are so fundamental that the pattern of politics in all the racially-demarcated communities has been dramatically affected.

So far as the whites are concerned, it appears incontrovertible that the long-awaited development has now come about whereby the ruling National Party has shifted to the centre of the political spectrum. This is of very great importance, first because it promises to free the Government of the obstruction of reform by the ultra-Right-wingers; and second because it implies a coming together of the Afrikaners and the English-speakers whose mutual antagonism has been a traditional feature of South African affairs.

Loyalty

The victory of the Prime Minister, Mr P. W. Botha, with 66 per cent of the votes—a far bigger majority than many observers had expected—showed that large numbers of "English" South Africans must have deserted their traditional loyalty to the opposition in order to vote "yes" to his promises of reform and change. Psephology is not a well-developed science in the republic and there will continue to be argument about the more obscure detail of this result, but both the principal opposition parties came out of the referendum with nasty wounds.

The Conservative Party, which broke away from the National Party two years ago in the hope that it would mobilise a large "verkrampte" (hard-line) vote in the Transvaal suffered a setback after it had earlier embarrassed the government in a couple of extreme-Right rural constituencies in the far north. Morale in government circles has been transformed overnight: National Party politicians who had been worried stiff about the potential strength of backwoods reaction have now convinced themselves that the Prime Minister is carrying the country with him.

To the Left-of-centre, the Progressive Federal Party (PFP) has also had a difficult few months. The decision to oppose the new constitution—and thereby join the detested Conservative Party in campaigning for a "no" vote—seems to have backfired, although it is hard to see what else the "progs" could have done in view of their disagreement with such fundamentals of the constitution as its ignoring of the blacks and its granting of Gaullist-style powers to the presidency. Large numbers of PFP voters (the number is open to argument) crossed the floor to vote for Mr P. W. Botha.

The future of the party depends in a very real sense on how many of them decide to stay with the government and with its professions of reform. The Prime Minister won his considerable victory on the argument that the constitution might not be ideal but it was "a step in the right direction." White South Africa, evidently even more anxious for change—any change—than had been guessed, flocked to join him.

This seems to put the Prime Minister in an enviable position as he prepares to vacate the premiership to become executive State President. But he will remember that South Africa's history teaches that the Centre is frequently a vulnerable position in a country which veers so often to the extreme; and he will also realise that his popularity will depend on his ability to maintain just the *right momentum of reform*—not too fast, not too slow. (The first clues to the post-referendum strength of the opposition parties came a few days ago Feb 16) with two by-elections, which will have provided a useful test of both the PFP and the Conservatives.

However, the new constitution has also served to confront the politicians of the coloured and Indian communities with a dilemma which was resolved for them last week. The Prime Minister always said they could have their own referenda like the whites, if they wished, or they could go straight into communal elections to choose their 80 coloured members and 40 Indians.

Presumably, the Government would prefer not to have more referenda (because the "no" vote would be a clearer indication of the true degree of coloured and Indian rejection of the new white-created system than elections in which a low turn-out would not be so embarrassing). Both communities are split on this.

The three coloured parties which are willing to have anything to do with the system have all, to the Government's relief, opted for an election, not a referendum. The central personality has been the Rev. Allen Hendrickse, leader of the Labour Party, who is tipped to be the first non-white South African Deputy Minister.

Mr Hendrickse explains his party's controversial decision to participate with great fluency and much reference to "realism." Correctly or not, he sees the whites' decision to allow non-whites to join their parliamentary system as an historic breakthrough.

Hopes

Of course, he has to reject much of the content of the system and hold out confident hopes of such obvious reforms as the abolition of the Immorality Act, which prohibits sex between people of different races.

He says he expects a 40-50 per cent coloured turnout in the election and here it must be stressed that many coloureds, particularly those in urban areas and the better educated, are passionately opposed to the new constitution and will have no truck with it.

The Indians—only 0.8m of them—are deeply conscious of their precarious status, often feeling rejected by both whites and blacks. They have been *prevaricating and squabbling*, to the Government's irritation. The South African Indian Council, which was thought to be the Government's creature, surprisingly opted for a referendum but other elements in the community preferred the coloured line and the Government last week announced that both Indians and coloureds could have elections — not referenda—on August 22.

Everyone will then be launched into unmapped territory. The world will be assured by the propagandists that South Africa is no longer a land of whites-only apartheid, and non-white Ministers will be produced to prove it.

All of this leaves out the blacks of course — as it is intended to. The Government's line is adamant. The 22m black majority must look for their political and constitutional development in the ethnically-demarcated "national states" formerly called Homelands or Bantustans.

It is granted that some of them—millions of them—will actually live in or near the white towns, and they have recently been given municipal rights of their own. There is speculation that these elected black councils will one day link up with the homelands governments, or even—somehow, eventually—be tied into a confederal structure.

The present reality is that all but a handful of black leaders vehemently reject the new constitution. The most outspoken and furious black opponent has been the Zulu leader, Chief Gatsha Buthelezi who, as Chief Minister of the Kwazulu homeland, is no outspoken radical. Elsewhere, the new constitution gave impetus to the recently-formed United Democratic Front, which looks like being the nearest thing to a multi-racial, non-parliamentary and nationwide opposition grouping since the Congress movement of the 1950s.

Against this must be set the dramatic fact that the coloured and Indian minorities have been invited to join the white minority in parliament and in Cabinet. However, in the light of the blacks' reaction so far, it is not perhaps surprising that articles about white politics and coloured dilemmas start to sound like Hamlet without the Prince.

J. D. F. Jones

New constitution summarised

THE NEW South African constitution, endorsed by a 66 per cent majority in a referendum of the white electorate last November, is likely to be introduced in the third quarter of this year so as to be fully functional next year. Its key elements are these:

● There will be three chambers of parliament. The coloureds (2.5m) will elect a House of Representatives and the Indians (0.8m) a House of Delegates.

● They will join the existing 178-strong House of Assembly elected by the 4.5m whites. There will be 80 coloured members (plus five nominated) and 40 Indians (plus five nominated) to meet the formula of a 4:2:1 racial allocation of parliamentary seats.

● This ratio is fixed and therefore the white majority is beyond threat from a dramatic shift in population.

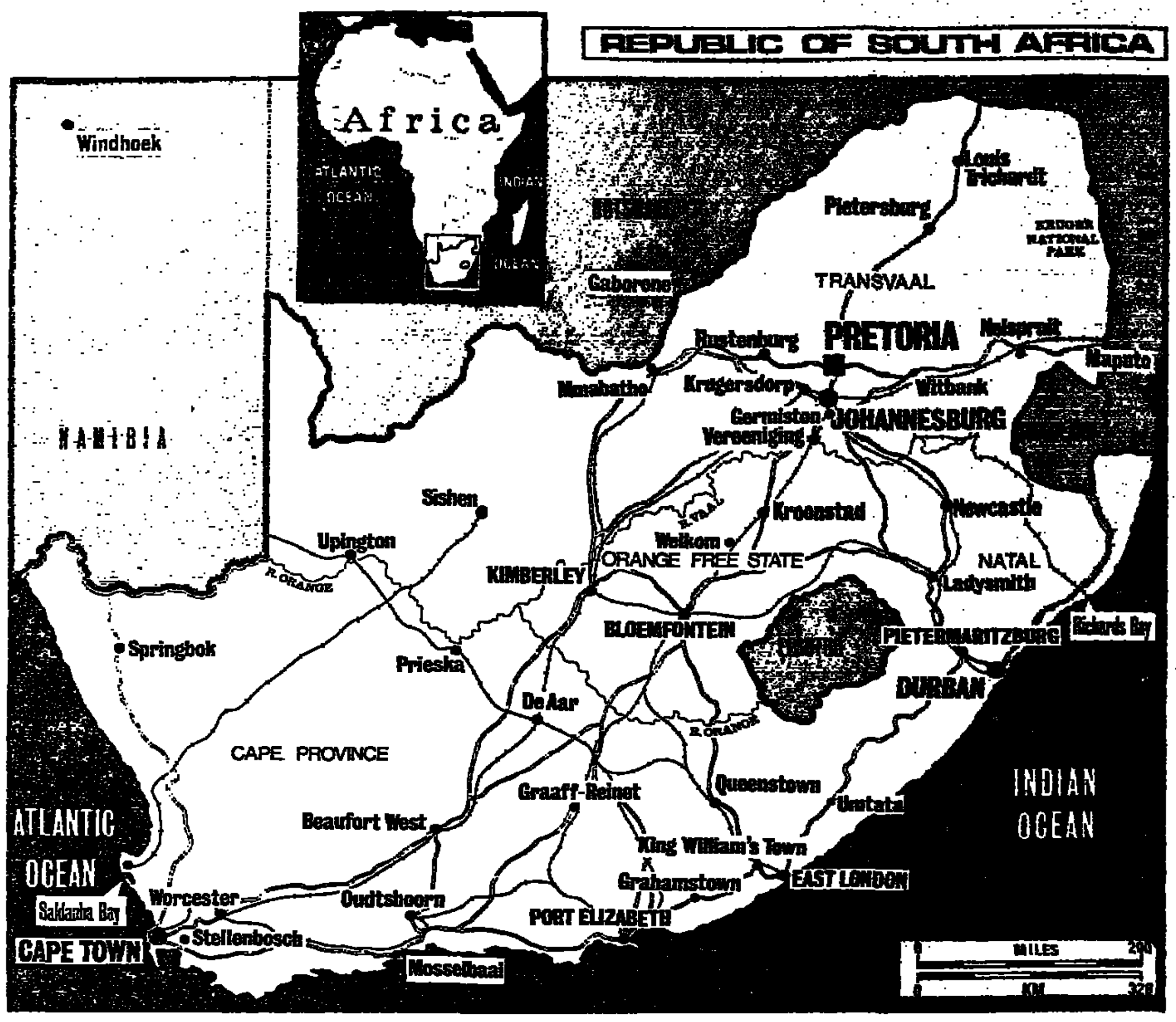
● Each House will legislate for the "own affairs" of its community, such as education and local government. No house may interfere in the "own affairs" of another community, and the State President will adjudicate on disputes about what areas fall under "own affairs."

● "General affairs" will include such subjects as defence, foreign policy, budget and matters to do with the black majority.

● These "general affairs," which clearly include all the more important matters of national policy, will be discussed between the three chambers through a system of standing committees. The method of operation of these committees is to be worked out by the present parliamentary session. The role of the opposition parties in these standing committees (and also the access of the press) also remains to be clarified.

● The new executive State President—who in effect will be elected by the largest party in the white parliament—is universally expected to be the present Prime Minister, Mr P. W. Botha.

The State President will enjoy very considerable powers—one of the reasons why the opposition parties urged a "no" vote in the referendum. He will appoint a Cabinet which is expected to include non-white Ministers and he will be empowered to resolve disputes between the three chambers. The new system would be able to operate even if one of the chambers should cease to function, for example, if a majority of members were to withdraw from the system.



Defence of the northern frontier remains the cardinal tenet of foreign policy

Flanked by hostile neighbours

WHITE South Africa has been used to trouble at the frontier for three centuries, so it should not be surprising that relations between the independent black "front-line states" and the apartheid Government in Pretoria are difficult. In the past, the whites moving north met the blacks moving south in a confrontation about land, wealth, and security of occupancy. Today, the same factors continue to guide the Republic's foreign policy.

White South Africa's first concern—and the absolute priority of its Government—has to be its security against those forces which seek to overthrow it. The banned African National Congress, in its battle against white supremacy, seeks to infiltrate its men across the frontiers from the neighbouring black territories (South African officials estimate the ANC's trained manpower at 1,500-2,000).

Pretoria wishes, as far as is realistically possible, to deny the ANC bases in, or transit routes across, those territories. It therefore plans policies, diplomatic and sometimes military, to that end.

White South Africa also appreciates that southern Africa as a region is economically indivisible and that the Republic naturally dominates that economic unit. Therefore it is very much in South Africa's interest to promote regional economic co-operation, and, arguably, such co-operation would be in the interest of the other states in the region. The infrastructure should be designed for regional efficiency: ports, railways, roads should interlink; workers should be able to cross borders to find employment; investment, aid, food, research, expertise, should be regionally interrelated.

The snag, of course, is that the neighbour governments so abominate South Africa's political system that they prefer to co-operate in efforts to achieve its downfall. White South Africa might no doubt love to be loved but, so long as apartheid continues, that desirable and natural regional co-operation is likely to be frustrated.

Nevertheless—and pending the end of apartheid—co-operation is frequently necessary. South Africa's foreign policy is designed to achieve that co-operation in tandem with the even more fundamental requirement for security. The result is a policy that uses both carrot and stick and one which, this month, suddenly and unexpectedly, has given rise to important developments.

The South African government has been accused for several years of seeking to "destabilise" its black neighbours: the charge has been denied of course, but most observers (including foreign governments) long since shed their doubts.

Insurgents

Thus, for example, Mozambique has repeatedly claimed that Pretoria has been assisting the damaging and effective insurgency of the Mozambique National Resistance movement (MNR); Angola says that the rebels of the Unita movement (who are even more threatening than the MNR) are helped by the South African Defence force; Lesotho insists that South Africa shelters the so-called Lesotho Liberation Army, Zimbabwe accuses South Africa of stirring up dissidence, training guerrillas and so on.

A South African might well answer, in all good faith, that no one desires meaningful regional stability more than the republic. But he might also say if he was an official that not only have these neighbouring states been publicly abusive, they have also supported, sheltered and allowed transit to the enemies of the South African system.

From time to time in recent years South Africa has retaliated directly after sabotage incidents at home—bombing suburban houses in Maputo, capital of Mozambique, and raiding Maseru, the Lesotho capital, in confident defiance of international opinion. But the more effective response has sometimes been less violent: for example, mounting what amounted to a blockade of traffic on the Lesotho road last year, or holding out to the conservative Swaziland rulers the prospect of more land.

Always the economic power available has been enormous and the point can be made, directly or through intermediaries, that stability in the region is a two-way process. This month the success of that policy is being tested.

The ceasefire that has just been launched on the Angola-Namibia border is by far the most dramatic evidence of the process. The diplomatic search *for a Namibian (South West African) independence settlement*, an extraordinarily long and complex task, has been the penultimate exercise of decolonisation and has at least reached the point where the parties agree that it will be based on UN Security Council Resolution 435.

All the detailed difficulties have been solved except that the South African, with American support, have put up a final condition: that their own withdrawal from the territory be "linked" to the withdrawal from Angola of the estimated 25,000 Cuban troops who have been helping combat the Unita rebels, and discourage direct South African aggression.

To the frontline states and to much of the international community, this demand has seemed an unjustifiable interference with Angolan sovereignty. To the South Africans, it is a logical part of their search for security and stability in the region. They have insisted that there can be no truly free elections inside Namibia while the Cubans remain across the northern border and—more generally, and perhaps more convincingly—they suggest that the presence of Cubans is not appropriate to an era of Southern African regional peace and security.

It is now possible, to put it no stronger, that this deadlock has at last been broken, but if that is so—i.e. if the present disengagement arranged with American intermediation turns into a ceasefire—it should be seen as one part of a regional de-escalation of tension. In a sense, it implies that the South Africans will have made their point.

Mozambique looks like being the best example. Following an American rapprochement with *President Machel's government*, the South African and Mozambique governments are holding a series of talks to include the subjects of economic relations, power supplies, tourism and—the important one — joint security problems, a topic which is bound to include the ANC and MNR. Both sides sound optimistic.

There are many ways in which South Africa can help Mozambique economically. The other side of the coin is that 95 per cent of all sabotage incidents inside South Africa originate from or depend on transit through Mozambique. So security and economics come together. It will be interesting to see if the MNR falters in these coming months.

In Lesotho, there are the first indications that South Africa is clamping down on the Lesotho Liberation Army's freedom of movement now that ANC members have been flying out of Maseru. In Swaziland, there has been a similar retreat on the part of South African exiles there. In Zimbabwe, the strenuous two-way slanging match of a year ago seems to be calming down and the Pretoria Foreign Minister, Mr Pik Botha, talks of a new "realistic" relationship.

Farther north, President Kaunda of Zambia has become an experienced elder statesman and has always been willing to talk to the South Africans, while President Banda of Malawi has been a maverick in his readiness to deal directly and openly with South Africa, and to benefit economically as a result.

In Angola, the benefits of peace would be still more dramatic — though even South African officials grant that the MPLA Government in Luanda will be reluctant to dispense with the Cubans while Unita is so much in the ascendant. Again, if the ceasefire on the border holds, it will be curious to see if Unita loses momentum as the months go by. The same point stands, that regional stabilisation would bring benefits to both sides.

The South Africans are not yet making it an issue, but the basic training camps for ANC recruits are located in Angola. In a context in which Pretoria requires the curtailment of ANC facilities in other neighbour states, the eventual logic is obvious.

J. D. F. J.

Small step towards settlement of Namibia problem

THERE IS probably no current international problem, other than that of Lebanon, or the Arab-Israeli conflict, which has proved as intractable, and as subject to so many disappointed expectations, as the search for a peaceful settlement in Namibia (South West Africa).

For this reason, the announcement at the end of January by Mr P. W. Botha, the South African Prime Minister, that South Africa would begin to disengage its forces from neighbouring Angola (forces that were never officially admitted to be there) must be treated with caution. It is no more than a small step towards a wider ceasefire along the *Angola-Namibia border*, which only then might lead to an ultimate Namibian solution.

There are nonetheless several good reasons why a certain amount of optimism is justified. Both the U.S., whose representative Dr Chester Crocker, Assistant Secretary of State for African Affairs, has deployed an unusual amount of energy in laying the diplomatic groundwork for the disengagement decision, and South Africa appear to be in a hurry to settle the Namibian problem.

That has not always been the case. The South Africans, in particular, have for years successfully stonewalled in the negotiations on the League of Nations mandated territory which they have administered since 1919 while giving the impression that they were adopting a constructive attitude.

At the same time, the U.S., the most powerful member of the five-nation Western contact group on Namibia, has often recently appeared to be content with restating its own and South Africa's demand that a withdrawal of the estimated 25,000 Cuban troops from Angola must be a pre-condition of Namibian independence, without making a really persistent attempt to break the log-jam.

In both Washington's and Pretoria's case, there are now powerful domestic reasons why the Namibian problem should be settled quickly. It is clear that President Ronald Reagan, whose foreign policy record in Central America and the Middle East has been less than brilliant, would very much like to go into the U.S. presidential election campaign with a success in Africa to his credit.

Victory

For Mr P. W. Botha, South Africa's Prime Minister, a combination of internal political, economic and foreign policy reasons appears to have tipped the balance in favour of an early solution for Namibia.

Having just won an impressive victory in the referendum on the new constitution, the time is clearly opportune for Mr Botha to cash in on his popularity and push through a momentous decision which is bound to run into the opposition of some of the more Conservative elements in his National Party.

But the economic factors militating in favour of a settlement are even more pressing and have been strongly underlined in public statements by both the Prime Minister and Mr Pik Botha, the Foreign Minister.

The war against the South West African People's Organisation (Swapo) — the Namibian political organisation fighting for independence — as been going on for nearly 18 years, mostly at a low level of intensity, the cost of which was easily bearable for a rich economy like South Africa's.

Lately, however, the cost has been escalating to the point at which it represents an unacceptable drain on South African resources if it were to continue for much longer.

The third consideration which must have influenced Mr P. W. Botha was that, as long as the Namibian conflict continued, South Africa would remain isolated in the African continent (and, indeed, the world) and there would be no chance of any improvement in relations with its independent black neighbours. It is certainly no coincidence that the new initiative in Namibia has gone hand in hand with a thaw in relations between South Africa and Mozambique.

That said, the lack of details about the kind of preliminary deal that has been struck between the U.S., South Africa and Angola must give everyone pause. What, for instance, are the assurances which the U.S. has been able to give to South Africa concerning Angola's and Swapo's part of the deal?

There can be little doubt that these assurances at least include an undertaking by Angola that it will put a tight rein on Swapo activities in the southern part of its country. It is also possible that a geographical limit could be fixed beyond which neither Swapo nor Cuban troops would be permitted to operate.

South Africa, at least, sees the disengagement of its troops from Angola as the first step towards a full cease-fire which, if everything goes to plan, would last for two or three months initially. Talks with Angola would decide on a joint mechanism to control the disengagement of forces and a possible cease-fire.

Presumably, talks would then resume on the implementation of United Nations Resolution 435, under which free elections would be held for a Namibian constituent assembly which would then decide on a new constitution for the country.

Few people doubt that such free elections would be won by Swapo, the only unified political force of any size in a country which boasts some 45 different parties. It is significant, however, that the South African Prime Minister, who has studiously avoided mentioning Swapo as a direct negotiating partner in the present delicate phase of diplomatic contacts, has been issuing urgent calls to other parties in Namibia to get their act together.

Those appeals have been addressed specifically to the six political groupings making up the so-called Multi-Party Conference, of which the centre-piece is the multi-racial Democratic Turnhalle Alliance (DTA), led by Mr Dirk Mudge.

Mr Mudge, once a stalwart of the Namibian branch of South Africa's National Party, was largely *responsible for masterminding* the dismantling of most of Namibia's social and economic apartheid legislation during the three years when the DTA was in control of the country's national assembly and he was chairman of the Council of Ministers. But Mr Mudge resigned in January 1983 because of the frustrations of having to govern in harness with and under the ultimate authority of a South African Administrator-General.

Sceptical

Those who are sceptical about South Africa's motives, believe that Pretoria is once again trying to by-pass Swapo by supporting what it considers to be a more moderate political grouping, representing both the white and some of the black population, which could form an interim government.

If the formation of an interim government is indeed the intention, as it has been in the past, then the whole present peace exercise is probably doomed to failure, for it is certain that Swapo will not co-operate with the South Africans on that basis.

It seems more likely, however, that Pretoria is thinking rather of creating a viable political force in the country which would be able to win a reasonable amount of support in a free election.

The aim would be to prevent Swapo from winning the necessary two-thirds of the seats in the constituent assembly which would enable it to fashion the new constitution according to its own precepts.

One way or another, however, it is likely that the notorious proclamation AG 8, which provided for the creation of 11 second-tier ethnic governments — almost the last remaining vestige of South Africa's special brand of separate development in Namibia — is destined for the scrap heap sooner rather than later.

If the multi-party grouping is to stand any chance in a free election based on the one man-one vote principle, it can hardly go into it with such an enormous South African albatross round its neck.

Whatever kind of government eventually rules Namibia, it will certainly have to take account of certain harsh economic realities which will make the country dependent on South Africa for a long time to come.

Farmers in Namibia go armed as routine drill.

Though it is by no means the poorest country in Africa, it has few resources apart from its minerals. Much of the country is made up of desert and mountains, and only in its northern one-fifth, where about half of Namibia's 1m or so inhabitants live, does water exist in any kind of abundance and annual crops be grown.

Its mineral *wealth is doubtless* Namibia's biggest asset and will remain so in the foreseeable future. Diamonds, mined by Consolidated Diamond Mines (CDM), a subsidiary of South Africa's De Beers, have in recent years provided 40 per cent of government income, and are destined to remain the country's biggest or second biggest export for many years to come. But diamonds are highly price-elastic and have recently suffered from a big slump.

The other major mineral resource, which is about to overtake diamonds as the country's most valuable export, is uranium oxide, mined at the Rossing Mine, in which Rio Tinto Zinc of Britain has a majority stake, near Swakop*mund on the Namibian coast*. Though the demand for uranium has been very slack, Rossing's production and prices have been protected by long-term contracts. But no one is in a hurry to exploit the country's other two large known uranium deposits.

Given *Namibia's* great dependence *on* these two sources of income and South African financial aid, it is difficult to see how Swapo would be able to do anything so drastic as nationalise the multinational companies if it comes to power, without courting economic disaster. In this and other fields its Socialist bark is likely to prove worse than its bite, something the South Africans still find hard *to believe*.

Robert Mauthner

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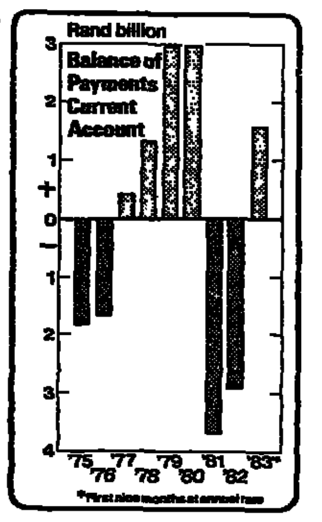
Economy: a cautious wait for recovery

SOUTH AFRICA'S veteran Finance Minister, Mr Owen Horwood, rather surprisingly quoted Sidney Webb in his last budget: "Economists are generally right in their predictions, but a good deal out in their dates." That was last March, when Mr Horwood was holding out cautious hope that South Africa's economic recovery would not be long delayed.

We are still waiting. The business cycle turned downwards in the last quarter of 1981. After growth rates of 8 per cent in 1980 and 4.6 per cent in 1981, 1982 brought negative real growth of 1 per cent and, when the figures are available, the negative rate will have been 3-4 per cent in 1983.



For the past year South Africans have been waiting for the upturn — watching for the strength of the U.S. and Western recovery; debating how long the lag will be before the international revival reaches the republic; cursing the appalling drought which sapped the economy last year (and which may not yet have broken), and wincing as the all-important gold price sags lower and lower. As Barclays Bank put it recently, 1983 saw in South Africa "a slump of considerable proportions."

Mood

No one doubts, of course, that recovery must come, but the mood is extremely cautious, far more so than is usual in South African business and economic circles. This is explained partly by the experience of the past year when there was a false dawn in the third quarter. A lot of people rejoiced too soon, but it turned out to be a "kink" in the graphs, as Dr Braam van Staden, the Reserve Bank Deputy governor, puts it.

The latest preliminary figures look a little more hopeful. In particular, there are signs of the export upturn which must be part of any acceptable recovery. Most economists have been forecasting a 1984 growth rate of about 2.5-3 per cent. However, caution is advisable in view of the weak gold price and the persistent drought — the two factors which were responsible for so much of the disappointment last year.

Gold is, as always, decisive. It accounts for over 40 per cent of South Africa's exports; it is a major fluctuating component of the government's exchequer revenue; and it has a direct impact on the exchange rate of the Rand.

The snag is that the movement of the gold price has become unpredictable. It is scarcely too much to say that economic forecasting in South Africa has become little more than guesswork, and Mr Horwood, as he prepares next month's budget, is at the mercy of factors beyond his control.

It is not surprising that he is expected to take a conservative view of the gold price over the next 12 months. At the start of 1980 gold touched $850 an ounce; the highest it could manage in 1983 was $511. This month the price opened at about $370.

More important, the average quarterly price retreated steadily throughout 1983, from the $462 of the first quarter, and so far this year has been close to $370.

A compensatory process has developed for the exchange rate since the reserve bank's decision last September to stop guiding the market by quoting a daily rand-dollar rate. The result has been that a significant movement in the gold price now tends to be followed immediately by an adjustment in the rate of the Rand, for example when gold fell below $400 in December, the Rand moved down below 80 cents.

The consequence is that the gold price in rand is sustained and so the mining houses have been cushioned against the falling dollar price; the rand price —which is what matters to them in terms of their working costs—has been held at approximately R460 per ounce. Meanwhile, of course, a weakening rand should boost South Africa's exports.

The second great burden of the past year which Mr Horwood emphasised last month — in a reference to South Africa's economy being in "one of the most difficult phases since the Great Depression" — has been the drought, the worst in living memory, with its impact on the balance of trade, on domestic debt and on government spending. There was a 15 per cent decline in agricultural output last year, and the Reserve Bank's deputy governor, Dr Chris Stals, estimates the cost to the balance of payments at R1.5bn in terms of lost exports and additional food imports.

In the event, the summer rains began promisingly but they have since faltered badly and there is once again serious alarm about the prospects of the basic crop, maize. Dr van Staden has been warning that another crop failure — which is now thought to be probable — would reduce this year's growth rate from 2.25 per cent to 1-1.25 per cent.

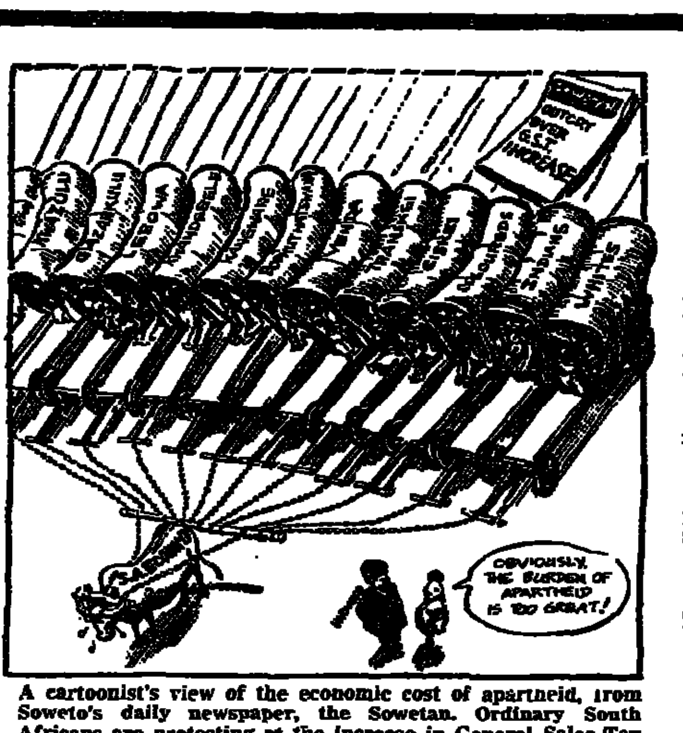
Thus, the drop in the gold price (plus weak commodity prices) and the drought came together, against a background of only slow Western economic recovery, to affect jointly the growth rate, the balance of payments, and the exchequer.

The past five years have seen a dramatic lurching in the current account. In 1980-81, for example, a shift from surplus to deficit of nearly R7bn. But in 1983, as imports slowly cooled, this was brought under better control and Mr Horwood recently said the 1983 current account would show a surplus of almost R500m after a poor fourth quarter.

Far greater concern relates to the consequences of last year's difficulties on government spending—or rather, overspending. Last March Mr Horwood budgeted for a deficit before borrowing of R2.08bn; in November he admitted that Government spending was running at R1.4bn over budget. He could correctly explain that drought-relief measures were an unpredictable, unavoidable and expensive burden.

His politician-colleagues in cabinet found it necessary to award 12 per cent salary increases to the Civil Service from this January (in practice the figure will be much larger).

There was the high cost of servicing Government debt. Perhaps above all (the figures are not yet clear), defence spending is considered beyond debate here — and recent exercises such as December's incursion into Angola will have to be paid for.



A cartoonist's view of the economic cost of apartheid, from Soweto's daily newspaper, the Sowetan. Ordinary South Africans are protesting at the increase in General Sales Tax (GST) brought in by Mr Owen Horwood, the Finance Minister. The economy has to support the combined costs of all the separate black homeland bureaucracies, and separate systems for whites, coloureds and Indians

One embarrassment is that the failure to control Government spending will annoy the IMF which, in November 1982 in circumstances of controversy, agreed to a SDR 1bn package to South Africa, combining a compensatory financing facility and credit tranches. The IMF stipulated that the deficit should be contained to 2 per cent of GDP, but the 1983-84 deficit now looks certain to be well over double that.

Alternatives

Since Mr Horwood's chances of disciplining ministerial departments at this stage seem frail, his alternatives are to raise Government revenues considerably, or to borrow. He has already started on the former by raising General Sales Tax (GST) last month from 6 to 7 per cent so as to bring in another R700m (in a full year). The budget at the end of March seems certain to bring more tax increases, with the present favourite a rise in corporation taxation.

The snag is that such measures, in particular any increase in across-the-board GST, while technically deflationary, help to defeat the government's efforts to bring inflation into single figures.

Apart from the obvious political impact of inflation, particularly among the poorer and black communities, the government's concern is that South Africa's inflation is persisting at a level much higher than that of her principal trading partners. Inflation has indeed been brought back from the 15 per cent of two years ago but efforts to contain money supply have had very inadequate success, while interest rates remain very high: prime rate is 20 per cent.

There may be an element of structural inflation inevitable in South Africa's special circumstances. But if the economic recovery is to be export-led, then South Africa dare not risk pricing herself out of her markets.

These "special circumstances" also have particular relevance to the Finance Minister's budgetary dilemmas. At a time when "reformist" policies have at last been embraced by the government, while South Africa has to face up to the problem of paying for apartheid, or rather, for reformist-apartheid. Reform can only be expensive since it requires heavy spending to bring social change for non-whites (eg to answer the demand for housing, or to raise educational standards, which everyone knows is essential for the long-term needs of the economy).

Defence is the other side of the coin and must be a particular nightmare for Mr Horwood since the generals can argue that their needs are always and by definition a top priority. There is therefore going to be a tough budget at the end of March; but Mr Horwood's trick will be to make it not so tough as to set back South Africa's economic recovery for the rest of the year.

J. D. F. Jones

Drought has damaged the country's export performance

Farmers' debts rise

IT IS PROBABLY no more than coincidence that the contribution of South Africa's agriculture to GDP is declining in inverse proportion to the political thaw between the republic and its southern Africa neighbours.

Few people can recall a worse run on farmers' fortunes: three consecutive years of drought, followed by hail and disastrous floods that ruined a large proportion of the Natal/Kwazulu sugar cane crop—100,000 tonnes worth R22m.

South Africa's regional dominance as the major food producer/exporter is, for the time being, at an end. Like her stricken neighbours, she will be forced yet again to import grain.

The farm sector's contribution to GDP may well fall below 5 per cent in 1984, the lowest level on record. This can be attributed almost entirely to what looks like being yet another failure of the maize crop.

In the late 1970s, maize production averaged about 9m-10m tonnes a year, reaching a peak of 14.6m tonnes in 1981 before the drought years. This January, after widespread rains in the summer rainfall region in October and November last year, the maize crop was estimated at 10m tonnes, provided that "normal" rainfall would persist.

Searing heat

But as a result of searing heat and an absence of rain at a critical stage, the crop forecast has been scaled down to 7m tonnes by the South African agricultural union, while unofficial estimates by Nampo, the growers' organisation, have been reduced to an ultra-pessimistic 4m tonnes, about the same level as last year's production.

If the worst comes to the worst the maize board may have to import grain to an upper limit of 3m tonnes to meet domestic demand of nearly 7m tonnes. This implies a foreign exchange requirement of about R720m.

It also means that growers' receipts could fall to one-third of their gross income four years ago. In 1980 income of maize growers was R2.4bn and rose to about R2.7bn the following year on a record crop of nearly 15m tonnes. In 1982 their income fell to about R2bn on a 10m tonne crop and plunged 41 per cent in 1983 to about R1.2bn. However, these figures conceal the growers' real plight because they have not been adjusted for inflation of 14 per cent.

Total debt burden of the country's 70,000 farmers is now in excess of R6bn and may go as high as R8bn on a fast deteriorating ratio of net income to total debt. This may now be in excess of 60 per cent, compared with 40 per cent two years ago. In the current maize season many growers were encouraged by the copious spring rains to risk heavy plantings in the hope of a plentiful crop and an opportunity to run down their heavy borrowings. "Going for broke," they drew advances totalling nearly R2bn from their co-operatives and R1.5bn from the commercial banks (with prime rate at 20 per cent).

There are disturbing signs that many of these, more progressive, growers have lost their gamble. In the western Orange Free State district of Bothaville, maize centre of the republic, there are tales of growers handing over their assets to the deputy sheriff and leaving town to look for jobs.

According to Piet Gous, general manager of the National Maize Producers Organisation, at least R1bn of R1.7bn invested by growers in putting the 1984 crop into the ground has been lost.

Production credits advanced by co-ops remain unpaid in many areas. The level of unredeemed credits has soared from R106m to nearly R900m in the past two years and would have been far greater had the South African government not rescheduled R500m of production credits, normally repayable at the end of the season, into long-term debt.

What many growers find particularly disheartening, and which may hasten the exodus from the land, is the calculation that, given a continuation of the government's new policy of market-related interest rates for all borrowers, it would take returns from up to six consecutive above-average maize crops (11-12m tonnes) to repay their mountainous debts.

The huge increase in farmers' debt, high inflation and crop failures has resulted in a reconstruction of the government's industrial strategy. Sectors of agriculture seeking to export, but reliant on imported inputs, have begun to rebel against the government's longstanding policy of import replacement and import substitution, a legacy of the very difficult times which followed the October 1973 oil crisis.

Growers argued that the cost of protecting industries manufacturing farm inputs (fertiliser, chemicals implements, packaging material and so on) was pricing their products out of export markets.

Controls

However, the farmers are less than sanguine about exposing their own products to competitive imports. In fact, a specialist research group at the University of Pretoria, appointed by the Department of Commerce and Industries, showed in a report published at the end of last year that the farm sector as a whole benefits substantially more from official quantitative import controls and tariff protection than it was adversely affected by the cost of protection of industries manufacturing farm requisites and intermediate inputs.

The final word on the subject is expected to be made in a White Paper on agriculture to be tabled in parliament shortly.

Not all sectors have been hit as hard as maize. Woolgrowers, on the strength of international indicators, expect prices to rise 10 per cent on world markets in the 1984-85 season. South Africa's wool production increased about 1.5 per cent in 1982-83 to 107.3m kg, as a result of increased stocking in the high rainfall regions.

Part of the 1982-83 clip was sold for R265m but pay-outs to growers were boosted by R18.6m to R284.5m from the stabilisation fund. Only 75.8 per cent of the 1982-83 clip was sold; the remainder was taken into stock by the Wool Board whose carry-over into the 1983-84 season was more than 30m kg.

Deciduous fruitgrowers expect a successful season in world markets. On shipments of more than 25m cartons, mainly apples and grapes, they hope for foreign sales of about R300m and a further R100m from domestic sales.

John Stewart

The threat of effective sanctions has receded

Trade: values pick up after fall

RECESSION and politics have not dampened most British exporters' enthusiasm for doing business with South Africa. "It's a rock-solid market," says a senior British trade official. "If you can't sell in South Africa, you can't sell anywhere."

South Africa is the UK's twelfth largest export market and, although final figures are not yet available, appears to have overtaken Nigeria again last year as Africa's biggest British customer. UK exports to South Africa in the first 11 months of 1983 reached £998m, 10.3 per cent below January-November 1982.

The drop in British sales was slightly lower than the overall decline in South Africa's imports, which dropped by 11.6 per cent to R18.4bn last year. Since about 80 per cent of the country's purchases abroad consist of capital goods, the steep fall-off in fixed investment by the mines, general industry and public corporations such as Escom and Armscor has had a dramatic effect on import demand, compounded by the rapid depreciation of the Rand and destocking by most sectors of commerce and industry.

Between the first quarter of 1982 and the trough in mid-1983, import values tumbled by almost one-third. The drop in volumes was an astonishing 44 per cent.

Despite the depressed state of the domestic economy and the fact that most of the Rand's fall has come in the past six months, there are signs that import demand is beginning to strengthen again. Import values rose markedly towards the end of last year and, according to the Reserve Bank, volumes have picked up across a broad front.

One reason is the drought which has forced South Africa to import foodstuffs such as maize and oilseeds for the first time in a decade. Maize imports alone have already cost about R400m. Nonetheless, the run-down in commercial and industrial inventories appears to have slowed, if not ended, while the government's more liberal import policies have helped foreign suppliers to corner a bigger share of several markets, including textiles, minibuses and packaging papers. Imports are expected to rise modestly during 1984 and more rapidly next year as business activity quickens.

The drought has also damaged the country's export performance. According to preliminary figures from the Commissioner for Customs and Excise, exports edged up by about 6 per cent last year to R20.6bn, but volumes both including and excluding gold have slipped back by roughly 10 per cent. Export earnings from farm produce slumped from R1.25bn in the first three months of last year to R600m in the third quarter.

SOUTH AFRICA'S PRINCIPAL TRADING PARTNERS
(Rm)

	Imports 1981	Imports 1982	Imports Jan-Oct 1983	Exports 1981	Exports 1982	Exports Jan-Oct 1983
U.S.	2,653	2,682	1,992	1,521	1,321	1,445
West Germany	2,365	2,715	1,804	784	850	633
UK	2,160	2,200	1,511	1,177	1,412	1,199
Japan	1,962	1,853	1,547	1,416	1,666	1,297
Others	9,290	8,928	6,073	13,309	13,880	12,559
Total	18,430	18,378	12,928	18,207	19,129	17,133

Source: Commissioner for Customs and Excise, Pretoria.

In the case of exports, too, there are signs of a pickup. The U.S. economic recovery has bolstered sales of diamonds, platinum and ferro-alloys. On the other hand, demand for coal — South Africa's second biggest export-earner after gold — remains depressed. Shipments of coal through the Richard's Bay terminal are unlikely to exceed 31m to 32m tonnes this year, well below the port's capacity of 37m tonnes.

The U.S. remains South Africa's largest trading partner, accounting for 15.4 per cent of total foreign purchases in the first 10 months of last year (14.7 per cent in January-October 1982) and 8.4 per cent of exports (6.8 per cent). Imports from the U.S. consist mainly of office equipment, construction and mining goods, chemicals and some agricultural products. Traffic in the reverse direction is made up mostly of diamonds, platinum, Krugerrand gold coins, manganese and chrome.

Britain first lost its place as South Africa's biggest foreign supplier in the mid-1970s (and later as its main trading partner), and its share of the market has gradually slipped further since then. By the first 10 months of 1983, it had dropped to fourth place among suppliers and to the third largest foreign market.

During the years of the Wilson government, many South African companies made a concerted effort to broaden their trading links. The uncertain reliability of many British suppliers and South Africa's closer political links with countries like Israel and Taiwan have also contributed to the erosion of the UK's market share. Imports from Taiwan have quadrupled in the past five years, making it South Africa's ninth biggest foreign supplier in 1982.

The threat of comprehensive —not to mention effective— trade sanctions against Pretoria has receded in recent years. Although the U.S. Congress is presently considering proposals to curb Krugerrand imports, the Reagan Administration has lifted some restrictions imposed by President Carter on sales to the military and police forces, nuclear authorities and government departments dealing with black affairs.

The British attitude, spelt out by the UK Minister of Trade and Industry, Mr Paul Channon, last November, reflects the willingness of most major Western nations to separate trade from political issues in their dealings with South Africa. "South Africa is a trading partner which must command our attention simply because of the volume of trade," Mr Channon said.

The country's reputation as a prompt payer, a relatively accessible and stable market for a wide range of products, and language and cultural links, have also contributed to the maintenance of close trade ties. Despite the present slack demand for imports, 13 British trade missions will visit South Africa this year, including the first in several years from the London Chamber of Commerce. British companies are likely to participate in at least three major exhibitions in Johannesburg during 1984.

Most of the UK's exports to South Africa consist of heavy and electrical machinery. A Beloit Walmsley newsprint machine was installed at Sappi's R800m ($640m) pulp and paper mill in the eastern Transvaal last year, and GEC has contracts to supply turbines to two of the five new Escom power stations for which tenders have already been awarded.

The emphasis of British trade promotion efforts is switching, however, to high-technology items, ranging from machine tools to home computers. Daimichi-Sykes, the British robotic systems company, recently signed a distribution and technical collaboration agreement with a subsidiary of the South African Premier group.

ICL is a key participant in a consortium chosen by 11 local banks and building societies to set up a network of shared automated teller machines and computerised point-of-sale facilities.

South African traders still quietly boast of their ability to buy and sell in almost every country of the world, including those that claim to boycott Pretoria. Nonetheless, trade with black Africa has slackened markedly in recent years. Exports to "other African countries" have fallen by more than 20 per cent since their 1981 peak of just over R1bn. Import values have stagnated at about R300m a year, implying a substantial fall in volumes.

This reversal almost certainly reflects foreign exchange shortages and transport difficulties in black Africa rather than the success of the sanctions lobby. Exports in 1981 were boosted by large grain shipments which have not been needed (or could not be supplied) since then. Furthermore, South Africa's biggest trading partner on the continent, Zimbabwe, has gradually diversified its commercial links since independence four years ago.

Bernard Simon

Jim Jones assesses the outlook for the Johannesburg Stock Exchange

Analysts sound a note of caution

IF THE PESSIMISTS are to be believed, the Johannesburg Stock Exchange has been marching to the wrong tune for a year or more. Judging by the performances of share prices, fundamentals have been totally ignored as private investors and portfolio managers have blithely accumulated scrip.

The underlying theme of those analysts who believe that the market is on the wrong track is that basics are increasingly difficult to ignore. The economy is shrinking; agriculture and industry remain affected by the worst drought in over half a century; the all-important gold price appears to be locked well below $400 an ounce; interest rates are at record high levels; and the export-led recovery predicted for well over a year has still to materialise.

Inevitably, so the argument goes, the effect of these factors on corporate profits and dividends must result in a corresponding drop in equity prices.

Basically, of course, this type of analysis is sound, or at least it is sound if markets are efficient and not subject to artificial constraints. But these have not been the fundamentals which have determined the course of the Johannesburg Stock Exchange for several years. Rather, the market's direction is decided by limitations on South Africans' ability *to invest outside the country*, strongly growing institutional cash flows which are available for investment, and the determination of the country's major insurance and industrial groups to broaden their power bases.

In February of last year the authorities took a small step towards relaxing controls by merging the financial and commercial rands. Effectively, foreign investors were allowed to come and go at a unitary exchange rate. The relaxation did not extend as far as South Africans themselves, but their response accurately reflected the market fundamentals.

Foreign holders of South African equities jumped at the opportunity for immediate capital gains afforded by the merger of the commercial and financial rands and sold heavily. Their gains were ensured by the fact that South Africans who could not invest abroad were more than willing to buy all the scrip which became available.

Within a few months yet another major outflow of institutional investment funds was triggered when a consortium of Anglo American, JCI and Liberty Life paid R337m ($270m) to acquire Associated British Foods' controlling interest in Premier Group. And, it seemed, no sooner had the dust of the Premier deal settled than Old Mutual laid *out R197m to buy Jardine* Matheson's controlling stake in the Rennies group.

Merger

Later in the year Metal Box took R67m out of the country when its South African operations were merged with the packaging interests of the Barlow Rand group and Prudential Assurance externalised R25m when it sold a share in its South African operation to local investors.

If anything, these transactions which effectively removed funds from the financial system, should have given the market pause. But after starting 1983 at 886.6 the JSE Actuaries Overall index advanced to an all-time high of *1,004.6 on September 12 before* reacting sharply ahead of the R545m Sasol rights issue in December and in line with the October-November drop in the gold price.

The reaction lopped a sharp 20 per cent off the overall index. Subsequent recovery has taken the index above the 900 mark, not because fundamentals have necessarily improved but, according to a number of stockbrokers, because the underlying scrip shortage will, if anything, become more critical in 1984.

Institutional cash flows continue their advance and could well match last year's 20 per cent-odd increase, while the Sasol rights issue will clearly not be repeated and disinvestment transactions are unlikely to be on the same scale as in 1983.

While the readiness with which South Africans bought back their own companies was indicative of a hunger for equities, the same hunger was underlined by the response to last year's spate of rights issues. Sasol (R545m) and Barlow Rand (R150m) had no difficulty in raising equity funds, but the responses to their offers tended to be shadowed by responses to three smaller offerings. Prudential Assurance, which offered the South African public R25m of *shares, found its offer almost* 40 times over-subscribed. Standard Property, which came with a new issue, attracted applications for almost 50 times as much scrip as it had to issue, while the Durban-based property company, Umdoni, was 25 times over-subscribed when it came to the market.

These three, and the Barlow Rand subsidiary Robor, were the only new names to be listed on the JSE. Another trend was disclosed by the fact that nine names disappeared through mergers or acquisitions, four through a restructuring and three through bankruptcy or liquidation.

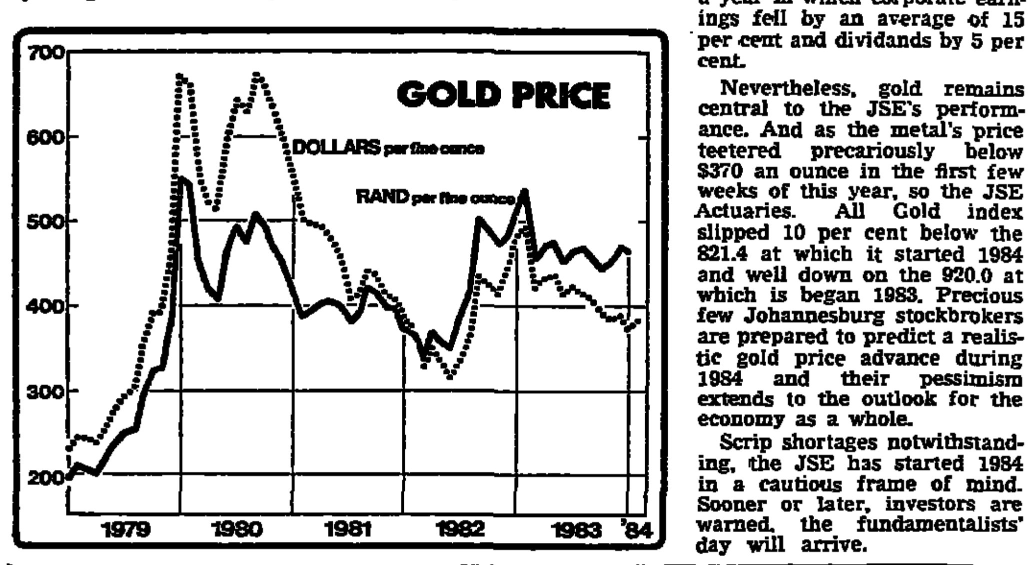
Ignoring the important mining sector, 1983 saw Johannesburg following the lead of most of the world's major stock exchanges. As 1983 progressed and gave way to 1984 it might have been expected that interest rate pressures would have affected ordinary shares. Prime rate, for example, rose from 16 per cent to 20 per cent in the space of one year and yet the average yield available from equities shaded to about 5.5 per cent.

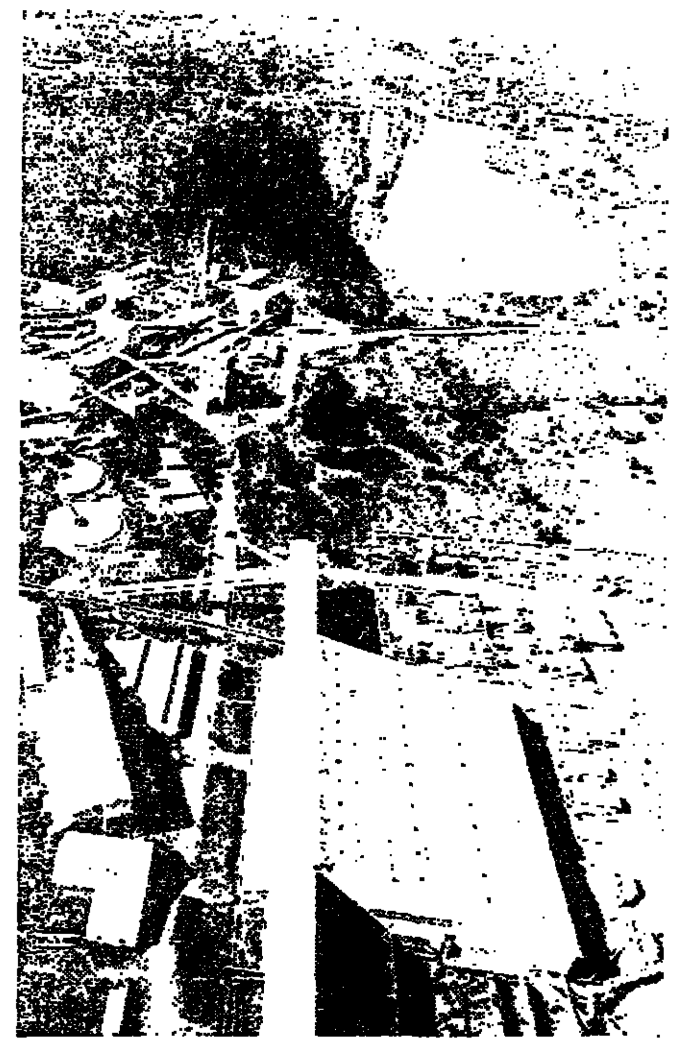
29% higher

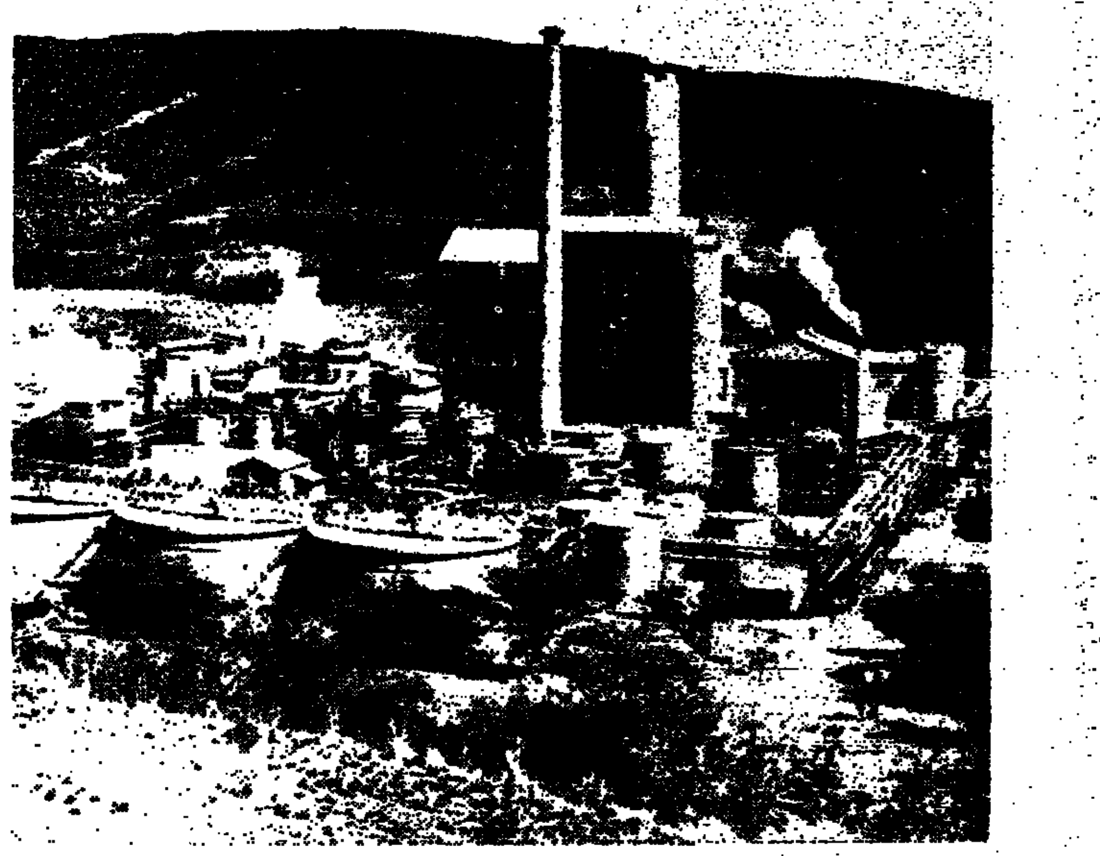
In the event the JSE actuaries industrial index closed 1983 at 910.2, almost 29 per cent higher than the 707.5 at which it started the year and more than 90 per cent higher than its 1982 low of 472.6. And this was in a year in which corporate earnings fell by an average of 15 per cent and dividends by 5 per cent.

Nevertheless, gold remains central to the JSE's performance. And as the metal's price teetered precariously below $370 an ounce in the first few weeks of this year, so the JSE Actuaries. All Gold index slipped 10 per cent below the 821.4 at which it started 1984 and well down on the 920.0 at which is began 1983. Precious few Johannesburg stockbrokers are prepared to predict a realistic gold price advance during 1984 and their pessimism extends to the outlook for the economy as a whole.

Scrip shortages notwithstanding, the JSE has started 1984 in a cautious frame of mind. Sooner or later, investors are warned, the fundamentalists' day will arrive.







Above: De Beers' Premier mine, near Pretoria in the Transvaal, which produced the Cullinan Diamond; and (right) stage one of Saapi's new $1bn pulp and paper mill at Ngodwana. The mining sector continues to be a cornerstone

Corporate structure in the control of a few

Where the six giants hold sway

CORPORATE SOUTH AFRICA may boast a wide range of management skills and technology, but the ownership and control of the nation's productive assets are vested in a surprisingly small group of people and companies. The trend is towards an even greater concentration.

There is not, as one might expect, a rapid devolution of wealth through the ownership of corporate South Africa with the country's economic advance. Of course, there are a great many small companies which do not have formal links with corporate giants, but they are largely irrelevant in the overall structure of control of things.

Essentially, South Africa's private sector is controlled by six corporate giants—mining houses Anglo American Corporation and Anglovaal; insurance groups Old Mutual and Sanlam; the industrial conglomerate Barlow Rand; and the tobacco and liquor group Rembrandt. Their interests interlock to some extent but essentially they are all involved in an increasingly acrimonious scramble to tie up as much of the country's private sector as possible.

Major sectors of South Africa's economy are controlled most of the country's infrastructure by the big six groups. And when this is seen in conjunction with the state's ownership of ture — its electricity distribution, railways, national airline and steel production — the concentration of economic power is further underlined.

This structure of ownership, which contrasts sharply with the private sectors of comparable countries such as Australia and Canada, has deep roots. Cecil Rhodes, for example, found it necessary to consolidate the myriad small diamond workings at Kimberley before the diamond industry could be built into the cartel it now is. Some years later as the deep level gold mines of the Witwatersrand came into production, centralisation became necessary both to facilitate the raising of capital and to prevent competition which might drive up the wages of black employees.

Now, however, it is easy to gain the impression that South Africa's corporate leaders are motivated to attain growth by acquisition rather than from the establishment of greenfield projects which would be of greater benefit to the country. And unlike some of the oil majors, which have learned the hard way that diversification by acquisition into new fields is not necessarily easy, South Africa's main groups rationalise failures by talking about long-term strategies.

Decline

A case in point was Anglo American's creation of the Sigma motor manufacturing group. Anglo bought up small manufacturers such as Peugeot/Citroen, centralised production facilities at the other end of the country and suffered a seemingly incurable decline in product quality. Having proved to lack the competence to plan motor car production operations, Anglo American has been forced to absorb losses approaching R50m ($40m) a year and since the start of this year has laid off one fifth of Sigma's employees.

Not only has merger and acquisition led to operating losses, but it has also led to the destruction of jobs.

The point is made frequently that growth by acquisition has become a South African syndrome as a result of the country's strict exchange control regulations. Because they cannot invest abroad, the life insurance companies, for example, are obliged to find domestic investment opportunities for the estimated daily R10m cash inflow they attract.

On another tack, it is argued that concentration of economic power is necessary in South Africa's relatively small economy to protect local industries from the competition of larger foreign companies.

In point of fact, Anglo American and Rembrandt have already spread widely outside South Africa. They are being followed by Sanlam's mining arm, Gencor, which is starting to find the South African mining environment a little too restricted. And the second-rank life insurer, Liberty Life, is fast extending its non-South African insurance and property interests despite the country's exchange controls.

The corollary of this rising attention to overseas opportunities is the reduction in foreign control of South African companies. Last February's merger of the commercial and financial rands gave foreign investors in South Africa a unique opportunity for capital gains. It was quickly followed by the sale of portfolio investments held by outsiders but it also encouraged overseas parents such as Associated British Foods, Jardine Matheson and Metal Box to sell all or part of their South African subsidiaries to local groups.

The resultant scramble for assets by the major South African groups provided a rare insight into the acrimony which lies just below the corporate surface.

It appears unlikely that the drive for acquisitive growth will die down quickly — far too much is at stake in an environment in which reputations are more easily established by buying existing assets than by establishing new enterprises.

Unlike the United States where anti-trust legislation can be implemented to break up large corporate groups, South Africa's Competition Board is a broken reed. In the clubby atmosphere of South Africa's business and government society, the private sector has few worries about legislation aimed at stimulating competition and dismantling unnecessarily restrictive trade practices. Monopolies and cartels remain an integral part of the country's economic life.

J.J.

A tough year for foreign investment

MR OWEN HORWOOD, Finance Minister, could not have known what lay in store a year ago when he boldly lifted exchange controls on foreigners. The decision seemed to be taken at the best possible time, with the gold price high and an economic revival apparently just around the corner.

Although the move meant the abolition of South Africa's attractive investment currency, the financial rand, there was good reason to hope that foreign investors would not take their money and run.

Mr Horwood's decision has turned out to be even braver than it appeared last February. The gold price has dropped by about a quarter since then and, instead of improving, prospects for the stock market and the economy as a whole have deteriorated.

Under such circumstances, it did not require much astuteness on the part of corporate treasurers and stock market punters to foresee a weaker Rand and thus to conclude that, if disinvestment from South Africa was under consideration, 1983 was the best time to act.

The past year has seen the biggest ever disinvestments (total and partial) from South Africa. Among them:

● The disposal by Associated British Foods of its 52 per cent interest in the diversified food producer, Premier Group, for R337m ($270m).

● Jardine, Matheson, the troubled Hong Kong trading house, sold its controlling stake in the transport and hotel company Rennies Consolidated for roughly R205m.

● Prudential Assurance of Britain spun off a third of its local subsidiary in a highly-successful stock market listing. The parent company received about R25m.

● Metal Box, the British packaging group, reduced its interest in its local operation from 52 per cent to 25 per cent by selling control to Barlow Rand's packaging arm Nampak. The amount involved was close to R70m.

Other companies which have lowered their exposure to South Africa since the lifting of exchange controls include Nashua (photocopiers), DRG (packaging), Fenner Group (conveyor systems), Vickers (Engineering), Stewart Wrightson (insurance broking) and Lucas Industries (batteries).

The outflow reached a peak in the third quarter of 1983 when R896m of long-term, private capital left the country. In the first nine months of the year foreigners sold shares valued at over R1bn on the Johannesburg Stock Exchange and, according to estimates by stockbrokers Davis, Borkum, Hare Inc., foreign ownership of South African gold mines had fallen to 37 per cent by mid-1981, from a peak of 42 per cent at the end of 1979.

Uncertainties

Political uncertainties have contributed to some of the decisions to withdraw. For example, Premier's local management was encouraged to look for a South African buyer by ABF's reluctance to increase its exposure to South Africa by injecting more capital into the operation.

But the importance of politics in investment decisions has probably receded in the past year or two. The spate of withdrawals recently has been prompted primarily by the removal of the financial rand discount (which has lowered the dividend yield from South African investments, since dividends could be repatriated at the commercial exchange rate, very attractive prices offered by local buyers and expectations of tough trading conditions and a depreciation of the rand).

Indeed, there are signs that the country's short-term risk rating has improved, particularly among bankers and some European businessmen. South Africa has undoubtedly benefited from the debt problems of other African and Latin American countries, and the terms of its foreign borrowings have slowly improved in the past few years. Several British and U.S. banks have quietly expanded their links with South Africa. The government recently floated two bond issues with the support of its staunchest banking friends in West Germany and Switzerland, and more are planned for 1984.

Foreign investment continues to play a key role in the economy. Direct investment from abroad totalled R14.9bn at the end of 1981. Though that equals only about one-tenth of the country's capital stock, foreign companies dominate several important sectors of the economy—including motor vehicles, oil, pharmaceuticals, computers and instrumentation—as well as being invaluable suppliers of technology.

According to estimates by British officials, UK companies account for 34 per cent of foreign investment in South Africa, concentrated in the financial, engineering and oil sectors. West German and U.S. groups are estimated to make up about a quarter each of the total.

Forecasts of strong, long-term growth in consumer markets have encouraged some major expansions of foreign-owned operations, despite the recent temptations to withdraw. BMW last year completed a R100m investment at its assembly line north of Pretoria, while Daimler-Benz has raised its shareholding in its local subsidiary. Reckitt and Colman, the British consumer products group, is spending R40m on two new factories to manufacture pharmaceuticals and household products.

So proud is BMW of its new facilities that it invited Mr P. W. Botha, the Prime Minister, to perform the opening ceremony and flew the Bavarian premier, Mr Franz-Josef Strauss to South Africa for the occasion. Most other foreign investors still prefer however, to keep a lower profile for fear of drawing the unwelcome attention of trade union, student, church and other anti-apartheid groups abroad.

Sensitive

U.S. companies have become especially sensitive in the wake of moves in Congress and various State legislatures to tighten curbs on investment in South Africa. One measure being strongly fought by U.S. business is a proposal before Congress to compel investors to sign and adhere to the principles of fair employment practice—drawn up seven years ago by the Rev Leon Sullivan, the Philadelphia churchman and civil rights activist.

The Sullivan principles—and similar "codes of conduct" for EEC companies and some South African groups — are widely credited with creating a greater awareness among businessmen of the working, living and social conditions of their black employees. Sullivan signatories spent some $3.3m on training facilities in 1982 and $10.5m on projects to help disadvantaged black communities, such as clinics, schools and housing schemes.

Nonetheless, businessmen and critics of investment in South Africa are increasingly critical of the Sullivan code. Even the most enthusiastic signatories are concerned at the steady broadening of the code to include monitoring of companies' assistance to black businesses and their efforts to overcome influx controls. Mr Sullivan has yet to persuade British and South African companies to subscribe formally to the principles.

On the other side of the coin, signatories are accused of giving too much attention to projects with high publicity potential rather than to long-term, low-profile issues, notably the advancement of black workers into more senior jobs. Parties to the principles as well as those responsible for monitoring them are presently involved in a wide-ranging review of their effectiveness and ways of improving their implementation.

The heavy outflow of funds since last February raises the question whether Pretoria will reimpose exchange controls if the gold price remains weak and the trade account of the balance of payments does not improve soon.

At the height of last year's withdrawals, the Reserve Bank asked large divestors such as ABF and Jardine Matheson to stagger the repatriation of their funds over several months but there is no sign so far that it has any thoughts of placing formal restrictions on the movement of funds.

Some curbs on South African residents were recently relaxed. The fact that the authorities have allowed the rand to plunge from 93 U.S. cents to 78 cents in the past year is further evidence that they are willing to try other tactics to staunch the drain of capital before resorting to direct controls again.

Bernard Simon

Relaxed controls benefit banking

WHILE COMPETITION is being squeezed out of some sectors of the South African economy, it is flourishing in banking and financial services—to the obvious benefit of consumers.

The easing of official controls on financial institutions, which began with the abolition of deposit rate ceilings in 1980, continues. In the past year, the authorities have relaxed banks' onerous liquid asset reserve requirements several times. They have raised (though not yet scrapped) the limits on retail finance charges.

With some reluctance, they have allowed banks' prime lending rate to shoot from 14 per cent to 20 per cent (it had earlier risen to 20 per cent in early 1982). Building societies have pushed up maximum mortgage rates from 15.5 per cent to 18.75 per cent.

In the field of foreign exchange, dealt with more fully in the article on foreign investment, the Reserve Bank has taken a back seat in determining the value of the Rand. The currency now moves by as much as two U.S. cents a day, and in less than four months tumbled from almost 91 cents at the end of September to its record low of 77.90 cents last February. The central bank's dominance of the forward market for the Rand is gradually being phased out.

More cobwebs will be swept away later this year when the government hopes to introduce legislation dismantling some of the concessions granted to building societies which presently insulate them from from head-on competition with the banks. The societies' ability to offer tax-free investments will probably disappear and their reserve and capital requirements are likely to be brought into line with those for banks.

When the gold price eventually recovers, there is little doubt that exchange controls will be relaxed, allowing banks and other institutions (especially the large insurance companies) to participate more actively in international financial markets.

Free-for-all

Competition has been spurred by the institutions themselves. The abolition almost a year ago of banks' price-fixing cartel has spawned a bewildering free-for-all in the charging of commissions, service fees and the payment of interest on current accounts.

"Commitment fees" for the unused portions of overdraft facilities have virtually disappeared and even small, individual customers can twist their bank managers' arms to reduce handling fees by threatening to move their account elsewhere. Besides customers, the main beneficiaries of the battle for market share have been the media: advertising budgets have been pumped up significantly.

Surprisingly, the stiffer competition (and the overall downturn in the economy) has not dented bank profits to any great extent. Standard Bank Investment Corporation, Standard Chartered's local subsidiary, warned a year ago that the introduction of interest payments on current accounts would have a significant impact on earnings growth. Nonetheless, its taxed profits advanced by 47 per cent last year to R121.6m. Barclays National, the country's largest bank and a subsidiary of Barclays Bank of Britain, lifted its earnings by 24 per cent during 1983 to R125.6m.

To some extent, the banks have made up on the swings what they lose on the roundabouts. Barclays, for example, has launched a new "status" current account offering double the interest on normal cheque accounts. What the bank does not say in its advertisements is that service fees are also double the normal rate.

More important, the banks are rapidly spreading their wings into other financial services where the margins are wider than traditional banking. They have featured in some of the major takeovers and mergers of the past year. Barclays has become a 30 per cent shareholder in the country's third biggest insurance company, formed by the merger of Anglo-American Life and Southern Life Association. Standard has raised its stake in Liberty Life, now the fourth biggest insurance group, from 25 per cent to 50 per cent.

On the lower plane, Barclays has bought a half-interest in a leading full-maintenance vehicle leasing company. Several banks have participated with manufacturers and distributors in joint ventures to sell products complete with comprehensive financing packages. A Standard subsidiary teamed up with IBM's local operation during 1983.

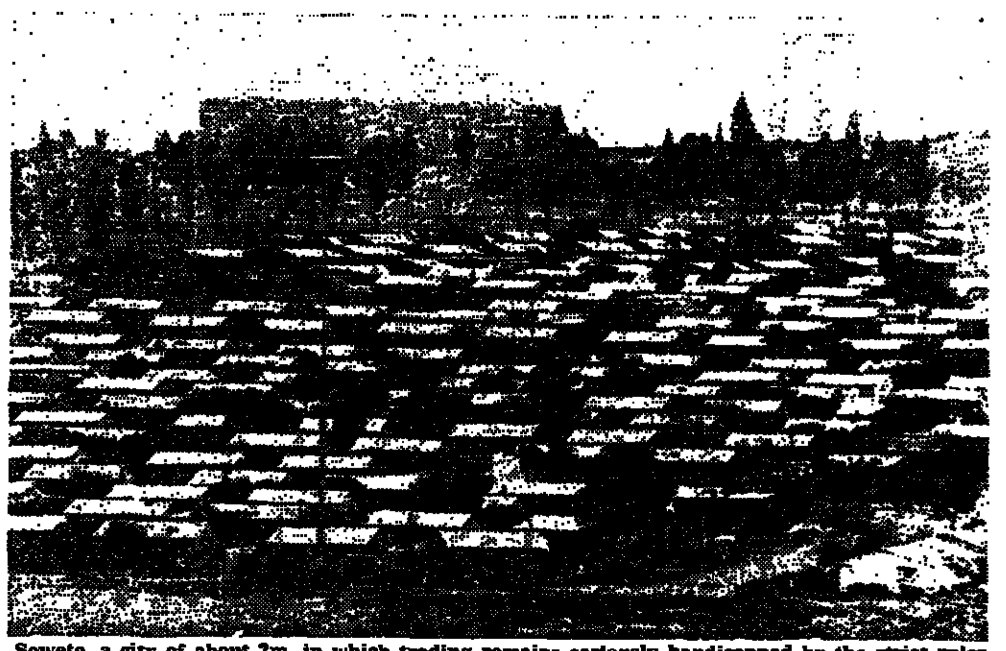
The drive to diversify and a fear of being left out of the mainstream have inevitably drawn financial institutions into each other's arms. Parallel to the increasingly competitive environment, a number of powerful groups, linked by cross-shareholdings and less-formal ties, are gradually coalescing in the financial services sector. Common to each is the participation of one of the country's five major banks:

- Barclays appeared to be out in the cold before its link-up with Southern Life and Anglo-American, which is the biggest shareholder in Barclays National after the British group. Barnat also has a substantial stake in Bowring, Barclays, South Africa's largest insurance brokerage.
- Nedbank's main shareholder is Old Mutual, the Cape Town-based insurance giant. The bank sprang a surprise in January 1984 by announcing an "agreement of co-operation" with the third biggest building society, Allied. The co-operation will extend to a wide range of service, including automated tellers, use of each other's branches and preferential treatment for each other's customers.
- Standard is the centre of an alliance which includes Liberty Life and the largest building society, United. Standard raised its stake in Liberty last year from 25 per cent to 50 per cent. The three groups share economic research facilities and have begun offering each other's non-competitive services.
- Trust Bank is part of Bank Holding Corporation, which is directly controlled by the Afrikaner insurance giant Sanlam. Like other insurance groups, Sanlam also has extensive investments in commerce and industry, including a controlling stake in General Mining Union Corporation.
- Volkskas has a 30 per cent interest in Legal and General's insurance subsidiary in South Africa, as well as a sizable minority shareholding in Price Forbes's local insurance broking business. Volkskas's attractions as apartner to some other groups may be dulled by its image as a bank catering exclusively to conservative Afrikaners, though it has recently been trying hard to create a broader appeal.

The agglomeration will almost certainly continue during 1984. Several other building societies are likely to look for partners as the winds of competition blow colder. Likewise, banks are eager to expand their activities further.

With the hunt for new opportunities and the possibility of some big corporate crises as the recession and high interest rates drag on, it is not surprising that Barclays' managing director-designate, Mr Chris Ball, complains that "There isn't enough time for golf."

Bernard Simon



Soweto, a city of about 2m, in which trading remains seriously handicapped by the strict rules of the Urban Areas Act, which were relaxed in the 1970s. It is likely that 90 per cent of Soweto's consumer spending is done elsewhere

Restrictions block growth of black business

IN THEORY, South Africa should have a thriving black business community. The black outspends whites in six of the 17 major consumer goods categories—groceries, footwear, television, radios, men's clothing and alcoholic beverages. And in the latter category blacks account for 70 per cent of the total market. In 1982, according to the University of South Africa's Bureau of Market Research, blacks accounted for 46 per cent of all retail purchases while whites accounted for only 40 per cent of the market.

To further quantify the black consumer market, it is estimated that the country's black population spends about R5bn ($4bn) a year at present and that the country's major black urban area, Soweto, has an annual income of about R1.5bn. However, despite the lip service regularly paid by government and the business community to to free enterprise, South Africa boasts no black business community of great significance.

And, in the view of most black entrepreneurs, the dice are heavily loaded against black business both through legislation and through access to the basic requirements of a normal business undertaking.

Ridiculous though it might appear to the outsider, until restrictions imposed by the Urban Areas Act were relaxed in 1976 no trading was officially allowed in Soweto except on a small scale in day-to-day basics. Soweto is a city of up to 2m people. As a result, though there are now about 2,500 small retailers and one supermarket operating in Soweto, its people prefer to shop in the Johannesburg central business district—which is predominantly given over to white traders—and haul their purchases the 20 km back home on over-crowded public transport.

Figures are obviously subject to some inaccuracy, but a fair estimate might be that about 90 per cent of Soweto's consumer spending is done outside Soweto itself. The same patterns apply to the non-white townships near Cape Town and, to a lesser extent, Durban.

Quite clearly black entrepreneurs are in no position to take on, say, the country's two liquor monopolists, South African Breweries and Cape Wine & Distillers. Nevertheless, there is a growing trend among urban blacks to break into the service industry sector, mainly in retailing and public transport.

No one observing central Johannesburg's rush hour can fail to notice the most obvious manifestation of black business. Black commuters, who have grown tired of the overcrowded and often dangerous facilities provided by the monopoly railway and bus services, have taken to patronising the growing number of mini-buses which each carry a dozen or so passengers from door to door in comparative comfort and safety.

Draft Bill

In round figures, some 20,000 black operators run taxi services using mini-buses and provide a much-needed transport service in the interstices left by the bus and rail systems serving the major black urban areas.

This service is under threat. Putco, the near-monopoly bus operator serving the black townships around Johannesburg, is using its political clout to limit black taxis and strongly backs the draft Road Transport Amendment Bill which is scheduled for debate in the current parliamentary session and which has as its main provisions the elimination of mini-buses and their replacement by four-passenger sedans. Meantime, black mini-bus operators are subject to official harassment on a grand scale.

This underlines a major problem faced by blacks who want to go into business. It has been argued by, among others, Dr Joop de Loor, Director General of Finance, that the country's informal sector needs to be freed from the welter of laws which stunt its growth. Some estimates have put the number of people in Soweto engaged in backyard activities as high as one in four of the population.

Whatever the true figure, it is obvious that these small-time entrepreneurs cannot provide facilities for employees to comply with legislation aimed at regulating larger and better-capitalised businesses. These sort of restrictions can be evaded and the majority of informal sector businesses do just that. But there are other constraints which are more difficult or impossible to avoid.

Again using the example of Soweto, would-be businessmen who wish to establish a business in the township are faced with a complicated rigmarole to obtain permits involving the West Rand Administration Board (Wrab), the official body which regulates virtually every part of the Sowetans' existence, local community councils and a swath of other control bodies. Once this performance has been completed there are other, less formal, constraints to contend with.

Freehold property ownership does not exist in Soweto or other black townships. As a result it is virtually impossible for, say, a prospective supermarket operator to persuade property investors to establish shopping complexes, which are common in the white urban areas. Without freehold security, no insurance company or property investor will put up a building for lease-back, so the would-be supermarket operator has to provide the capital himself.

In any normal free enterprise society the answer would be to shift to areas where restrictions are less onerous. In South Africa that option does not exist for blacks. They are not, in terms of existing legislation, allowed to establish businesses in the central business districts of the major cities to compete with white traders. Nigel Mandy, chairman of Johannesburg's Central Business District Association, reckons that half of the Johannesburg CBD's income comes from black customers. His association's policy is to let all races trade in the CBD and, by extension, to allow white traders to operate in Soweto.

Precious few blacks in business support this latter proposition, however. The prohibition on their operating in the CBD is absolute, so why, it is argued, should whites be allowed to trade in the black townships?

Mr Sam Motsuenyane, the chairman of The African Bank, put the situation in perspective in his 1983 statement to shareholders: "The bank still finds itself faced with unyielding attitudes towards its wishes to open offices in the central business districts in the metropolitan areas. Every effort is still being made to have these stumbling blocks removed.

"A far more pragmatic approach needs to be followed by the local authorities if they wish to retain the good will of black business persons and also for us to feel free about allowing white businesses entry into our townships."

Stern

Mr Motsuenyane states his views more sternly through Nafcoc (the National African Chamber of Commerce). It has called for a boycott of Afrimet, the cash-and-carry wholesale operation established last year in Soweto and the East Rand black township of Thokoza. Afrimet, in terms of existing legislation, is 51 per cent-owned by black businessmen and 49 per cent by the white company Metro Cash and Carry. Businesses such as Afrimet are described bluntly by Nafcoc as front organisations to allow whites to circumvent the law.

These 49-51 per cent partnerships have been permitted by law since 1979 but, according to Nafcoc, they hinder black traders from gaining toeholds in the areas they know best. Nafcoc argues that white capital can provide a superior service to that available from black-financed trading operations and that, as a result, independent black traders are prejudiced.

The argument extends, of course, beyond simple trading operations. Mr Moses Maubane, managing director of African Bank, estimates that about R8bn of black savings have been siphoned off into white financial institutions and goes on to point out that blacks, who are generally poorer credit risks than whites, have disproportionately greater difficulty borrowing to establish or finance businesses. Maubane is eager to gain as large a part of the black savings cake as possible for his bank but believes that he is hamstrung by restrictions on the localities of his branches. He says that customers are not prepared to open accounts if they cannot have the convenience of branches in the white areas in which they work.

Jim Jones

Profits have been buoyed up by generally rising interest rates

Insurance groups merging to maximise growth

WHEN Prudential Assurance offered the public a one-third participation in its South African operations last May the offer was almost 40 times oversubscribed. It was an eloquent comment on the stockmarket's rating of the growth prospects of the life offices in particular and financial institutions in general. Nevertheless, South Africa's insurance industry is on the defensive.

On the one hand, short-term insurers continue to be plagued by the continuation of one of the industry's most bitterly fought rates wars, while on the other the life offices are under attack from critics because of the consequences of their business success.

The country's 42 life offices, which as a group attract about R4bn ($3.2bn) in annual premium income, are under the spotlight for the control they exercise over large parts of corporate South Africa and for the way in which the major groups are locked in a struggle to increase their size and influence.

Merger and association have become the rules of the life assurance industry's game as size is seen to be the prime ingredient for maximising growth potential. By way of contrast, poorer relatives on the short-term side of the fence are contemplating mergers as a means of establishing the basic strength needed for survival.

Over the past three years the short-term industry has been characterised by losses or miserably low profits on underwriting activity. The overall profits of the various firms themselves have been buoyed by the generally rising pattern of interest rates which has helped lift investment incomes and allowed the competing companies to finance their rates war.

Periodically, of course, there have been calls from within the industry for an end to uneconomic rate setting. And some companies, such as Guardian National which is linked to the Liberty Life group, have publicly opted for realistic rates rather than for market share won at the cost of unrealistically low rates.

It appeared for a time in the first half of last year that the calls for a return to higher rates was being heeded. Short-term underwriting profits in general started to improve. The fallacy of this showed up almost immediately in the second half of the year when a series of large flood and fire claims threw the industry as a whole back into underwriting losses. Preliminary estimates are that insurers and re-insurers as a whole lost R45m on underwriting last year.

The upshot has been a series of treaty reinsurance problems. Foreign and local reinsurers have grown increasingly nervous of the fact that rates are being pitched too finely. They are not prepared to underwrite a rates war and believe that by cutting back on their treaty reinsurance commitments they will contribute to forcing the short-term companies to raise rates to more realistic levels.

Lapses

Recession has hardly affected the life offices. There has been a slight increase in the number of policy lapses, especially by drought-hit farmers, but this has not slowed the strong growth in the life sector's income. The past year has, however, seen the firm establishment of the alliances which will affect the development of the industry for the remainder of this century as life offices, banks and building societies move closer together to form diversified financial conglomerates.

South Africa's fourth largest banking group, Volkskas, has held an important equity stake in Legal and General for three years, while in the opposite direction South Africa's largest life office, the Old Mutual, has been the largest shareholder in the country's third largest banking group, Nedbank for more than a decade. Six years ago Sanlam, the second largest life office, stepped in to take indirect control of Trust Bank which at that stage was in imminent dangers of collapsing.

Last year, however, the final links were forged in the chains binding the major banks to the major life offices. Despite strong opposition from the Old Mutual Standard Bank Investment Corporation acquired a half share in Liblife Controlling, which owns 52 per cent of Liberty Holdings which, in its turn, has 81 per cent of what was then the country's third largest life office Liberty Life. This development put paid to a merger many industry observers had expected—that of Liberty Life and Anglo American Life. Liberty had played a crucial role in the acquisition last June of Associated British Food's controlling stake in Premier Group by Anglo American and its close associate JCI.

Anglo American, which has a major interest in Barclays National Bank, decided that its best interests would be served by a merger of Anglo American Life with the Cape Town-based mutual life office Southern Life. The merged company is to become a proprietary life office and will emerge as South Africa's third largest life assurer with assets of about R3bn and an expected attributable profit of R40m this year. Barclays is paying R135m for 30 per cent of the merged group's equity, Anglo American will hold another 40 per cent, and the public the remaining equity.

The reasons for the acquisitions and mergers are obvious. They provide opportunities for developing flexible financial packages which are increasingly necessary as a means of attracting clients. The advantages become available to the bank as well as its associated life office. However, the Southern merger seems to have been partly motivated by the need to create a life assurance group large enough to challenge Old Mutual and Sanlam.

The latter is increasingly gaining absolute control in local mining and industrial groups and is not worried about putting other shareholders' backs up when it is determined to exercise effective control. Last year's row with Rembrandt over the appointment of directors of Federale Mynbou showed this clearly.

On the other hand, the acquisition by Anglo American and its friends of control of Premier and the simultaneous injection of 34 per cent of SA Breweries into Premier put Old Mutual's nose completely out of joint. It was not consulted on the deal even though its chairman, Mr Jan van der Horst, was an Anglo American board member.

Mr van der Horst subsequently quit the Anglo American board in a huff and indicated in a later and costly purchase of 74 per cent of the Rennies group that Old Mutual would not stand idly by while control of large parts of the country's industrial infrastructure were absorbed by others.

Greater stake

As it is, Old Mutual much prefers to have interests in the top company of any group than subsidiary operations. Its ready acquiescence to the acquisition of control of Tiger Oats by a Barlow Rand subsidiary was just such a move as it gave the assurer a greater stake in Barlow Rand itself.

As long as effective exchange controls remain in force, South Africa's life offices will almost certainly remain locked in competition for local equities. This year, government's need to finance its growing budget deficit will probably provide the institutions with an adequate supply of prescribed investments and it is hard to see any prospect of property development opportunities.

However, Johannesburg's equity market is simply too small to provide the life assurers with an adequate supply of quality ordinary shares and it seems inevitable that pressures will mount to permit institutional funds to be invested abroad.

This is already happening to some extent. Liberty Life already owns 24 per cent of Britain's Sun Life through its 66 per cent-owned subsidiary TransAtlantic Insurance Holdings and the group is actively seeking new foreign investments which complement its domestic insurance operations. The rest are likely to follow suit if only because they are outgrowing their domestic market.

J. J.

World recession has severely affected the mineral industries but improved techniques are creating opportunities, as **Jim Jones** reports

New strategies to sell platinum and diamonds

RECESSION HAS become something of a learning process for South Africa's major platinum and diamond producers. Not only have they reacted to market deterioration by doing as expected and reducing production, but they have adopted new and relatively radical marketing strategies.

De Beers, which through its marketing arm the Central Selling Organisation (CSO) controls more than 80 per cent of the world market for uncut diamonds, came to the conclusion that it could not continue dictating to diamond cutters the types of diamonds they should buy. And Rustenburg, the largest platinum producer, decided that its interests were best served by largely abandoning the producer pricing system in favour of a pricing policy which follows the open market more closely.

Both strategies appear to be working, though slowly. De Beers, Rustenburg and Impala, the second largest platinum producer, do not expect fully to overcome the effects of the world recession this year nor well into next.

The magnitude of De Beers' problem is apparent from the sales figures of the CSO. In 1980, due in part to a first-half scramble by investors into almost any form of so-called hard asset, sales by the CSO reached a record $2.72bn. The rot set in in 1981 as total sales slumped to $1.47bn to be followed by a further drop to $1.26bn in 1982. A recovery did get under way last year. The CSO's sales increased to $1.6bn but this, of course, is well below the levels reached in the late-1970s and does not in itself disclose the major diamond market problems De Beers has had to address.

According to De Beers itself, the stockpiles which were built up in the major diamond cutting centres ahead of the 1981 market fall have largely been cleared. De Beers, as is its normal practice, sharply reduced the volume of rough stones offered for sale at its selling sights in London and Amsterdam in 1980.

At the same time it mobilised its own substantial cash reserves to finance a large increase in its own stocks of uncut gems. This was accompanied in 1982 by a halving of the dividend as the diamond group signalled its intention both to the trade and its bankers that it was determined to maintain the cartel which has dominated the world diamond trade for 50 years or more.

Though diamond sales are rising and, again according to De Beers, retail demand was buoyant throughout 1983, interest largely centres on the relatively cheap small commercial gem grades. There are some signs of growing interest in the larger stones, but demand for investment-grade stones (or certificate diamonds as they are known in the U.S.) is virtually non-existent. Investors believe that alternative investments are more attractive. These, however, are the grades of stones which provide De Beers with most of its profits during boom years.

The clearing of cutting centre stockpiles and the improving demand for diamond jewellery is reflected in South Africa's own export figures. During the first nine months of 1983 average export prices were R47.25 per carat which is 17 per cent higher than the R40.28 per carat average of 1982. The average price increase was due partly to an overall price increase of 3.5 per cent implemented by De Beers in April. Nevertheless, the main impetus for the higher average price in the first three quarters of 1983 came from a higher ratio of gem exports to industrial diamond exports and an increase in the average size of rough stones exported.

Stocks

De Beers has emerged from the diamond industry's worst recession since the 1930s if not stronger than ever, then at least still fully in command of the market. Increased demand at the retail level has largely been met this past two years by reducing stocks held by cutters rather than from any material advance in sales by the CSO. This situation, however, is expected to change in the near future as the CSO's sales start to match retail activity more closely.

The diamond group's next step is to do what it can to strengthen demand at the upper end of the gem market.

Rustenburg and Impala have less close relationships with major platinum users than does De Beers with the diamond trade. As a result they are in a quandry about the correct response to an apparent improvement in demand. Though the main producers have emphasised platinum's merits as a noble metal for use in jewellery and as an investment medium, its fortunes remain largely tied to its industrial applications.

Rustenburg has indirectly conceded this by its decision to cease promoting platinum jewellery in the UK though it does, of course, maintain a jewellery marketing effort in wealthier markets such as America, Japan and West Germany.

Platinum's decline two years ago was due to the combination of lower industrial demand and sharply rising interest rates which militated against maintenance of inventories by industrial users. Both Rustenburg and Impala responded in 1982 by cutting output by about one third, Rustenburg to about 0.8m ounces a year and Impala to about 0.65m ounces. The cutbacks put paid to expansion programmes being undertaken by both mines in response to the speculative demand increases triggered by the 1979-1980 scramble into hedge investments.

The demand setback prompted Rustenburg largely to abandon its production pricing system and to replace it with more frequent price adjustments which, so the company says, more closely reflect open-market price trends. Impala, on the other hand, has adhered firmly to its producer price—currently $475 an ounce against free-market platinum price of about $100 less—claiming that its major customers are more interested in price stability and security of supply than in short-term advantages of lower prices.

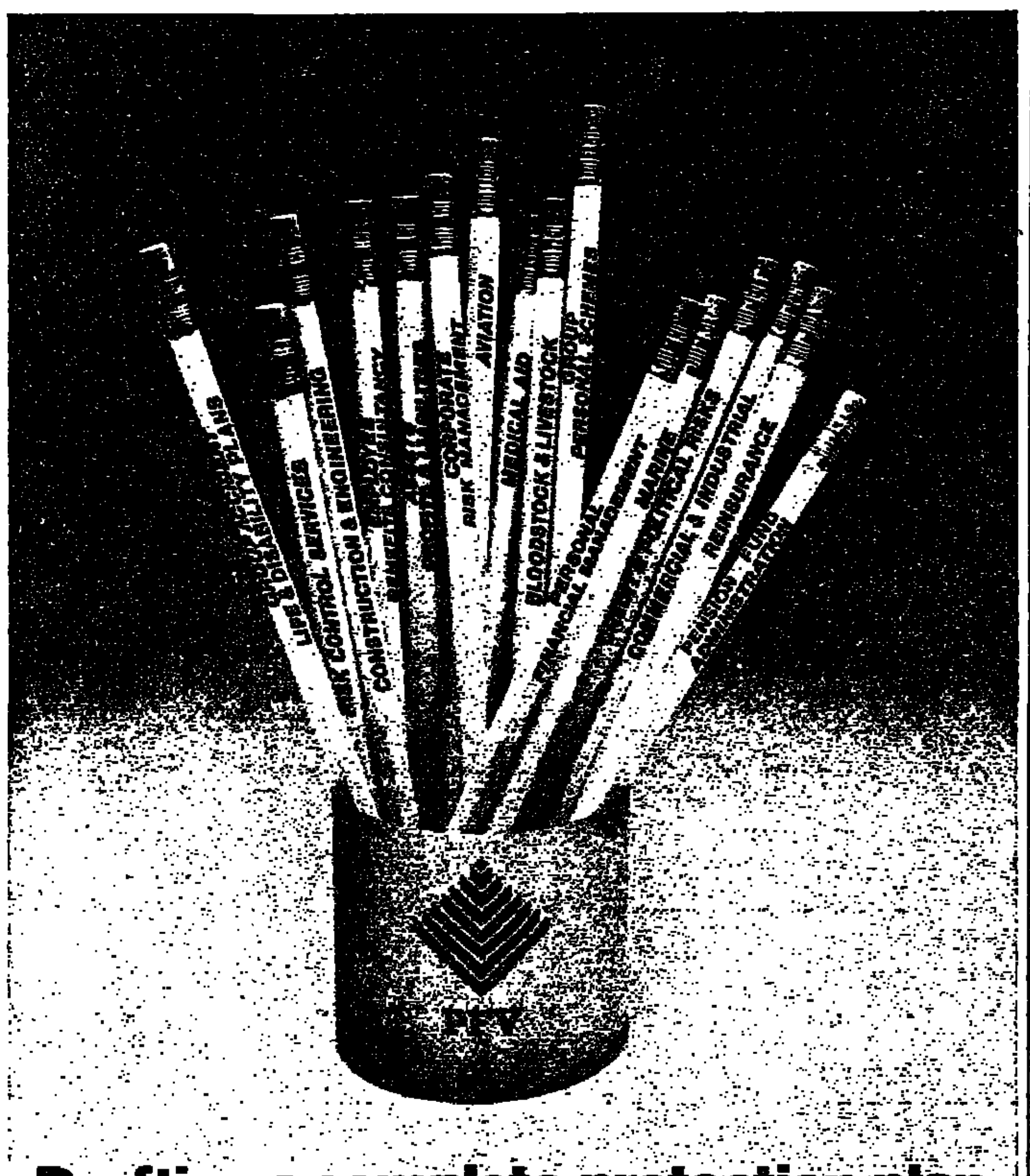
Both companies provide shareholders with the bare minimum of information but it does appear from Rustenburg's interim results for the half-year to December 31 1983 that its output matched demand.

Sales from stock were negligible and during the first half of 1983 there was a slight increase in production to an annual 0.85m oz of platinum. However, the company is chary of increasing production still further: it is not sure whether the perceived improvement in demand is due to greater consumption or to major industrial users deciding to increase inventories from artificially depressed levels. In the meantime, capital expenditure at both the Rustenburg and Impala mines is at a minimum.

Because of the companies' reluctance to disclose precise operating details, evaluation of the industry's state has of necessity to be relatively subjective. With this caveat in mind it would appear that Impala has a significant stock of platinum on hand. In January this year it fired the entire 1,400-strong black staff of its refinery at Springs when they refused to end a spontaneous strike and return to work. The company confidently predicted that this would not affect supplies of platinum group metals to contractual purchasers, which implies that adequate stocks remain despite the reduced production levels.

Both platinum producers are confident of the longer-term demand prospects for the metal. The advent of motor exhaust emission control regulations in Europe is expected substantially to increase demand for platinum catalysts towards the end of this decade.

Nevertheless, executives of both platinum companies hedge their immediate expectations with caution. Demand for jewellery remains sound in Japan but platinum has still to gain widespread acceptance as a jewellery metal in other major markets. Industrial demand centres on the metal's use as a catalyst in the oil refining and chemicals industries.



Weak demand for base metals

THE WORLD economic downturn has presented the South African Government with a dilemma. Low base mineral prices and weak demand have pushed several of the country's smaller producers into losses, meaning that mine closures have become the order of the day.

While this makes economic sense, the political implications tend to be unpalatable because the mines are generally in remote or border areas where the authorities are determined to slow the tide of depopulation.

The Messina copper mine, on South Africa's border with Zimbabwe, is perhaps the most obvious example of this development. It has been kept afloat with Government money for some years and now wants more to avoid final closure. It has already closed its smelter and two shafts, thereby halving output.

In the remote northern Cape, copper producer O'Okiep has shut production facilities and stopped development programmes to conserve its remaining cash in an effort to remain solvent until copper prices improve. The pattern repeats itself in various mineral sectors. Mine executives are not slow to approach government for help, particularly if they believe that political considerations are likely to outweigh economic ones.

Opportunities

There have been opportunities in this recession, of course. In one sector, asbestos, the product's problems have resulted in virtually the entire industry falling into the hands of a single mining group, Gencor. The second largest mining house, which has virtually complete control of the blue asbestos industry and, as a result, has been able to close marginally profitable mines and concentrate production at its most profitable properties.

Again, though, this has led to a large number of jobs being lost.

Kuruman, which is the centre of the blue asbestos mining industry, is also the centre of the hard-pressed manganese mining sector. Manganese exports have slumped in line with world steel industry recession and the general decline in spending on major capital projects.

The problems of manganese, however, did not deter Gencor from arranging a secret deal with the state-owned steel producer Iscor to grab effective control of the important manganese and ferro-alloys producer Samancor last year from under the nose of the politically less-favoured mining group Anglo American.

Chrome mining, for example, had been badly hit by slack demand from domestic and foreign steel and ferro-alloys producers. Mines had been closed the length and breadth of the Bushveld igneous complex, the mineralised zone which contains anything up to 80 per cent of the world's chromite ore reserves.

Aim

The consumer-led economic recovery started to change this during the second half of 1983. Virtually all of the domestic ferro-chrome producers have resumed full-capacity operations to satisfy burgeoning demand from foreign steelmakers.

For the present it appears that South Africa has achieved its aim in the ferro-chrome market. Economic logic dictated that ferro-chrome plants should be built in South Africa near the raw materials source and to take advantage of the country's relatively cheap power.

The problem was that ferro-chrome producers elsewhere were not prepared simply to close their less-efficient plants just because South African producers had arrived on the world market. It has taken recession to force closures elsewhere in the world.

Mine closures elsewhere have, in a similar way, helped the antimony producer, Consolidated Murchison, recover from unacceptably weak market conditions. While the past two years have seen mine closures in another major antimony producing country, Bolivia, South Africa's only antimony mine, which provides about one-fifth of the world's total output, has managed to reduce its steadily accumulated stockpile of antimony concentrates.

Currency shifts help gold

AS A PROPORTION of South Africa's overall economic activity gold's role is steadily declining. The reason is immediately obvious—gold production is inevitably locked into a steady decline while the rest of the economy is, in general terms, growing robustly. Nonetheless, gold remains a pivot of the economy.

In the third quarter of last year—the last period for which complete figures are currently available—the value of gold production was equivalent to 11.9 per cent of the country's gross domestic product. Back in 1980, by way of contrast, when the gold price averaged a record $617 an ounce, gold revenue was equivalent to 17.6 per cent of GDP.

Looked at another way, gold accounts for about 60 per cent of South Africa's mineral exports and about 40 per cent of her total exports.

This, though, leads to another and perhaps more disturbing aspect. The pivot of South Africa's economy depends to a large extent on currency turmoil for its own strength. In 1980 when the dollar was under extreme pressure and the dollar-denominated gold price briefly touched a record $850 an ounce, South Africa's gold mining industry had its best year ever and laid plans for several major expansion and development projects.

Paradoxically now that gold is floundering in the $370 an ounce region, the gold mining industry is again benefiting from currency shifts. This time around, though, it is the rand's decline which is helping the gold mines. To a large extent the South African mines are indifferent to the dollar-denominated gold price—they are far more concerned with their Rand receipts.

During the past year while the dollar price of gold has generally been indifferent or in a decline, the deterioration of the rand's exchange rate against the dollar has resulted in an acceptable stability in the rand price of gold. In 1983 the price of 1 kg of gold remained sufficiently close to R15,000 to allow the mines to plan confidently their capital spending projects.

Obliged

Until two years ago the gold mining industry's freedom to manoeuvre was severely limited. The mines are obliged to deliver their gold to the Reserve Bank and they were paid for their gold in rands at currently prevailing rand:dollar exchange rates.

There was a slight relaxation of this rule in 1982 when the mines were given permission to enter into forward sales contracts as a means of bringing some certainty to their dollar-denominated receipts. Essentially, the mines were allowed to use Comex (the New York Commodity Exchange to lock into a fixed dollar gold price. The relaxation did not extend to allowing the individual mines to close out hedging contracts by delivering physical gold—that still has to be delivered to the Reserve Bank.

In the event, futures trading proved to be unpopular. The mines managed by Gold Fields of South Africa simply did not get involved and most other mines rapidly lost interest when they realised that hedging had its own particular costs. In any case there was little point in being tied to a dollar-denominated futures contract when what was important was what would be received in rands.

Futures

The picture changed in the final quarter of 1983 when, as a means of broadening South Africa's foreign exchange market, the authorities decided to pay the mines in dollars and to allow them to operate in the currency futures markets as a means of locking into fixed rand prices for gold.

The upshot has been that the marginal producers — those whose grade-cost relationships render them marginally profitable even unprofitable—have jumped at the certainty now available to them. In general, they need to spend relatively heavily on capital projects both to maintain production and to ensure adequate operating lives. But uncertainty in the face of fluctuating gold prices made the planning of capital spending projects a hazardous exercise.

Three years ago, by way of example, veteran producer ERPM had major plans both to expand production and to extend the life of its operations well into the next century. The plans were predicted on a gold price of $600 an ounce rising in line with the rate of increase in working costs.

Gold's price decline quickly put paid to the venture and problems were compounded when Mr Owen Horwood, the Finance Minister, announced in his 1983 budget speech that the State Assistance scheme was to be phased out.

State Assistance is a form of reverse taxation designed to keep afloat specific mines experiencing financial constraints during periods of temporary gold price weakness. Abolition or modification of the State Assistance scheme has still to be decided upon by the authorities and the industry as a whole is uncertain what is in store.

Of course, capital spending and expansion projects have not been brought to a halt by gold's price decline or the major escalation in costs with which the mines have had to contend this past three or four years. This year alone, for example, the gold mines managed by Anglo American are slated to spend almost R700m on capital account. And the figure is likely to rise in the next financial year. The mining houses which in the final analysis are responsible for bringing new productive capacity on stream have become increasingly innovative in their financing strategies.

It is most unlikely that any major new mines will be brought into production independently again. In today's terms a relatively small mine capable, say, of processing 1.5m tonnes of ore a year would cost about R500m to bring into production.

The entire capital cost has to be incurred before the first ounce of gold is produced and the first rand is earned, and establishment lead times can be as much as five years for a relatively modestly-sized mine. Under these circumstances returns on capital investment can be most unattractive.

The innovation introduced by the mining houses makes use of one of the more generous and progressive aspects of South Africa's gold mining tax regime. The gold mines are allowed to offset their full capital expenditure against current profits for tax purposes.

By establishing new mining projects under the corporate umbrella of a profitably operating mine, significant immediate tax savings are possible. In effect the tax man picks up the bill for about 60 per cent of a new project's capital cost.

Examples of this are numerous. In the Orange Free State, the Western Holdings, Welkom and Free State Saaiplaas mines were merged and the enlarged corporate entity is being used to establish a new mine on the farm Erfdeel which borders on the Free State Saaiplaas property. Mining house Gencor has used the tax concession twice to advantage. It incorporated the Beisa uranium mine into St Helena and the new Beatrix gold mine, which is in the southern part of the Orange Free State goldfields, into the Buffelsfontein mine which is in the Klerksdorp area.

Standard

Financial innovation has been accompanied by technical innovation. The carbon-in-leach (CIL) and carbon-in-pulp (CIP) gold recovery processes are becoming standard throughout the industry. They rely on the fact that small quantities of gold which would otherwise be lost in the conventional recovery process can be recovered economically by occlusion on activated carbon.

The improvement in recovery promises to make useful additions to gold production and profit statistics. In addition, the CIL process should lead to an increase in the number of residue retreatment projects being established.

Technical and financial innovation are all very well, but the main problem area to be faced by mine managers over the next few years will almost certainly be in the field of human relations. Apart from anything else the gold mining industry is increasingly hamstrung by legislation which excludes blacks from responsible positions.

The definition of a "scheduled person"—that is, someone who is allowed to work directly with explosives and to be in charge of groups of workers underground—to exclude blacks is the cornerstone of apartheid in the mining industry. Effectively it establishes a sort of closed shop in which white miners are assured of the industry's best-paying jobs.

Government has taken the soft option. It has declined to amend the relevant sections of the Mines and Works Act to remove racial barriers unless the mining industry and white-organised labour themselves agree on terms. In the meantime, previously un-organised black labour is becoming increasingly unionised. The new National Union of Mineworkers (NUM) led by Cyril Ramaphosa is gradually recruiting members throughout the industry and claims to have enlisted more than one-tenth of the industry's total 450,000 black workforce.

For the present, the NUM is adopting a moderate line. It has been firm in the various wage negotiations it has had with management and has yet to bring its members out on strike.

GOLD PRODUCTION

	1979	1980	1981	1982	1983*
Tons milled (m tonnes)	83.5	89.9	91.9	95.0	101.1
Gold produced† (tonnes)	702.8	663.2	645.3	652.0	667.1
Av. grade (grammes per ton g/t)	8.19	7.28	6.92	6.76	6.50
Cost per ton milled (R)	30.18	35.53	41.89	47.25	51.13
Cost per kilogramme of gold (R)	3,464	4,587	5,719	6,751	7,632
Gold revenue (Rm)	5,666.3	10,193.0	8,301.3	8,515.7	9,774.8
Total pre-tax profit (Rm)	3,537.3	7,335.1	4,890.1	4,498.1	5,327.9
Tax and lease (Rm)	1,703.0	3,838.1	2,099.1	1,830.5	2,334.2
Capital expenditure (Rm)	689.0	922.0	1,221.9	1,259.1	1,347.3
Dividends paid (Rm)	962.9	2,278.8	1,684.5	1,371.6	1,550.2

* Preliminary figures. † Includes miscellaneous by-product gold and output from Anglo American Orange Free State Joint Metallurgical Scheme: 1979, 16.4 tonnes; 1980, 8.3 tonnes; 1981, 9.4 tonnes; 1982 9.5 tonnes; 1983, 5.0 tonnes.

Coal: struggle to find outlets

FOUR YEARS ago during the heady days of the second major oil crisis no one in South Africa doubted that the country's coal industry's future was absolutely secure. Not only was there an increasingly energy-starved world out there ready and willing to buy every ton of coal that could be exported, but South Africa's world lead in the oil-from-coal business was likely to be extended with the establishment of a series of private sector ventures to produce synthetic liquid fuels.

All of which shows just how wrong forecasts can be, particularly in the near term. The energy crisis has disappeared, both because oil supply problems disappeared and because considerably larger tonnages of coal started moving to world markets from traditional and new exporters.

In South Africa itself, the state-owned electricity utility Escom, which burns about 60 per cent of the nation's domestic coal, has reduced its earlier estimates of electricity demand growth and by extension its demand for thermal coal. And, for the present, government has put the cap on any private sector plans for developing synfuels projects.

These are, of course, essentially short-term considerations. In the longer term coal's proportional contribution to South Africa's overall energy equation will almost certainly increase and over the next 10 years or so its contribution to the country's export earnings will rise.

It was estimated in 1987 that the country had 113bn metric tonnes of coal reserves in the ground of which, on a highly conservative basis, some 57bn tonnes were considered to be economically recoverable. At present, annual domestic coal consumption is about 110m tonnes with metallurgical coal demand depressed as steel production at the state-owned Iscor steelplants remains cut back and consumption by the Sasol oil-from-coal facility steadily building up to full capacity of 30m tonnes by 1985.

COAL PRODUCTION

	1979	1980	1981	1982	1983*
Production (m tonnes)	103.8	115.1	130.4	140.1	117.5
Sales:					
Domestic (m tonnes)	74.9	82.2	97.9	106.3	88.4
Export (m tonnes)	23.3	29.2	29.9	27.5	20.6
Sales Revenue:					
Domestic (Rm)	634.3	806.9	1137.0	1394.8	1133.0
Export (Rm)	509.1	688.1	977.1	1177.7	762.6

* January to October.

The annual rate of exports is currently running at something over 30m tonnes and is due to rise to 44m tonnes in 1987 when phase three of the Richards Bay export harbour project is fully on stream

Taking the various coal market sectors individually, it is plain that South Africa has become something of a victim of its own enthusiasm. On the synfuels front there was a time only two years ago when it appeared that a series of new projects would be inaugurated. Sasol Three was nearing completion in parastatal corporate form and the next logical development, so it appeared, was for the private sector to weigh in with projects to produce liquid fuels such as methanol from coal.

Hopes

The country's largest chemicals group, AECI, made plans with Shell for just such a project; the mining house, Gencor, and the second largest chemicals group, Sentrachem, proposed a similar venture; and mining house Anglovaal pinned part of its hopes for a return to the coal industry on a methanol project with Caltex.

Everyone conceded that none of these projects would be economic without help from the government both in the form of development capital and protection from competition from crude oil derivatives. Last year, the government made it clear that it was not prepared, at present at any rate, to play ball. Oil supplies are more than adequate and government sees little point in increasing the percentage of liquid fuels derived expensively from coal.

On the export front it is widely conceded that the South Africans are their own worst enemy. Phase three of the Richards Bay project is slated to result in an annual rate of exports of 44m tonnes, but this is already a year behind schedule and the target is not likely to be met until 1987.

In the meantime, the several companies which were granted phase three export allocations are largely cutting each others' throats in the scramble to find outlets in the increasingly competitive European and Far Eastern markets. The pressure to sell at almost any price is particularly great on those companies which established new mines to serve the export market and which have large overheads to cover.

Far from being the solid earnings prop originally expected, export sales are new being made at prices which reflect the return of Poland to world markets, increased U.S. sales, growing Australian participation and the commissioning of a series of new export coal projects world-wide.

In January this year representatives of the Tarnsvaal Coal Owners' Association returned from Japan with sales contracts for Witbank coking coal for the 1984-85 fiscal year (which ends on March 31, 1985) priced at U.S.$41.50 per tonne fob Richards Bay. In fiscal 1983-84 the price was $44.5 per tonne and in the previous year it was $57 per tonne. Similar price reductions appear to be on the cards when individual steam coal producers start talking to Japan's Electricity Power Development Corp. over the next few months.

The next major development in the export market will be the completion of phase four of the Richards Bay export project. It is designed to raise the country's export capacity to an annual 80m tonnes of which 4m tonnes will continue to be shipped through Durban and Maputo by relatively small producers.

The timing of this is necessarily open-ended though a date in the mid-1990s is being targeted. Costs, too, are open-ended and, rather than establish completely new collieries, the major coal groups which have been granted phase four allocations by government hope to fill their quotas by increasing production at existing mines.

The favourite plan is to reach agreement with Escom allowing collieries which are dedicated to specific power stations to expand production, to produce top-quality coal for export and to deliver poorer fractions to the power station. This should present few problems as most of Escom's new generation of thermal power stations are designed to burn relatively high-ash coal grades.

Despite the coal industry's current gloom over export prices and lower-than-expected domestic consumption growth rates, by the turn of the century total annual sales should reach 360m tonnes. According to Steve Ellis, Gencor's chief coal executive, coal will supply 80 per cent of South Africa's primary energy requirements in the year 2,000 with forecasts indicating an increase in energy self-dependency. In addition the country's chemicals sector will continue to rely largely on coal as its major organic feedstock.

BERNARD SIMON LOOKS AT INDUSTRY

Relaxation of import controls will expose manufacturers to foreign competition

Pretoria is moving boldly to expose South African Industry to a greater measure of foreign competition.

Import controls on a wide range of products were abolished early this year and the government has given notice that quota restrictions on several other important items—notably clothing and textiles—will be removed once new customs tariffs are in place. And judging by recent policy statements and the disappointment of local chemical producers at the level of new duties on imported plastics, the tariffs will be set low enough to raise the market share of many foreign suppliers.

The government is expected to publish a white paper on industrial policy later this year, but its actions in recent months give strong clues to the White Paper's likely contents. Competition from imports is clearly seen as one way of containing domestic price increases and of weakening the grip of the country's many monopolies and cartels on their markets. As Industries Minister Dr Dawie de Villiers told the Financial Times recently: import control "tends to limit competition and leads to inflexible prices."

If Dr de Villiers sticks to his guns, the policy switch will be one of the most far-reaching challenges to South African business during the 1980s. For the past three decades, Pretoria has lavished protection on any sector with the remotest claim to being a "strategic" industry. Without import controls, tender preferences for local suppliers, cheap loans and numerous other incentives, many of South Africa's biggest manufacturing projects would barely have got off the ground. They range from the Sasol oil-from-coal plants and the Atlantis diesel engine facility to a synthetic rubber factory, large sections of the textile and paper industries and motor vehicles.

The common thread running through most of these ventures was the government's drive to lessen South Africa's dependence on foreign supplies in the event of trade sanctions. The cost of supplying a small market, the difficulty of keeping up with advanced technology and the fact that many of the sanctions busting projects themselves relied on imported components, machinery and raw materials were lost in the determination to create fortress South Africa.

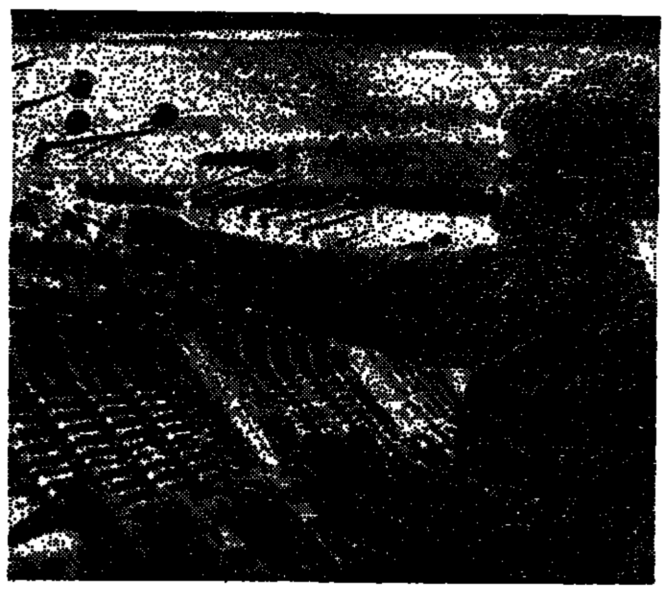
It has taken persistent double-figure inflation and mounting criticism of some domestic producers' high-handed treatment of their customers to persuade the authorities that the cost of import replacement often matches its benefits. According to Dr de Villiers: "The encouragement and long-term support of uncompetitive industries would be difficult to contemplate and could not be in the country's interest."

It is by no means certain, however, that these lofty ideals will all be put into practice. Local industry is alarmed at losing a growing share of its market to foreign competition, especially in the depths of a recession. Mr George Bulterman, chairman of PPC, the country's largest cement producer, said in his last annual review that "sight should not be lost of the consequences of the under-utilisation of local productive capacity which must inevitably result in increased unemployment". Cement is one of the products recently freed from import controls.

Similar protests, accompanied by warnings that new investment will dry up, have come from the chemical, electric motor and textile industries.

The Government insists that it has no intention of allowing a free-for-all in which torrents of imports would put local producers out of business. Through formula duties, stricter anti-dumping surveillance and speedier consideration of customs duty applications, it hopes to draw a line between healthy competition and disruption.

But industry—pointing to staff shortages in the civil service, inevitable red tape and the threat already posed by imports in some sectors—contends that Pretoria will eventually have to water down its recent enthusiasm for free enterprise if large sections of South African industry are not to go to the wall.



Above: Worker in a jute mill in the Transkei. Right: BMW's new facilities at Rosslyn, north of Pretoria, which were opened by the Prime Minister

Manufacturers brace themselves after lay-offs

Car makers recovering

SOUTH AFRICA's over-traded motor industry has so far survived the recession remarkably well. Car sales reached almost 273,000 vehicles last year, only 3.7 per cent lower than in 1982, the second best year on record. Even commercial vehicle sales, knocked by the drought's squeeze on farmers' incomes and the tightening of corporate belts, were down by a relatively modest 7.3 per cent to 132,300 vehicles.

Although demand improved towards the end of 1983, there were signs in January that at least some of the 11 manufacturers are bracing themselves for a tough time over the next few months. Sigma, Ford and Nissan between them laid off more than 2,000 workers during January. In Sigma's case, the lay-offs represented 16 per cent of its workforce.

The rise in general sales tax from 6 per cent to 7 per cent, high finance charges and the generally poor state of individual and corporate finances are among the factors which are likely to depress sales, at least in the first half of the year. Within a month, Ford scaled down its forecast of 1984 car sales from 300,000 to less than last year's figure.

Other manufacturers believe that an upturn in the second half of the year will rescue the industry. The average forecast of members of the National Association of Automobile Manufacturers (NAAMSA) is sales of 288,000 cars in 1984, with commercial vehicle sales also rising slightly.

Toyota, the leading assembler of both passenger and commercial vehicles, is putting its money where its mouth is, planning to expand production from 425 to 455 cars a day during the year. Besides stronger overall demand, it is banking on making further inroads into its competitors' market share.

PERCENTAGE SHARE OF CAR MARKET

	1982	1983
Toyota	18.2	20.5
Ford	14.5	14.2
Volkswagen	13.7	12.3
Sigma	15.8	12.2
Nissan	10.1	10.2
UCDD (Mercedes and Honda)	5.9	8.7
General Motors	8.2	7.5
BMW	5.3	4.3
Alfa Romeo	3.0	4.1
Renault	2.5	3.9
Leyland	2.2	1.5
Other	0.2	—

Share

Toyota's phenomenal success in recent years (its share of the car market has climbed from 8.8 per cent to 20.5 per cent in the past five years) reflects the rapidly changing fortunes of South Africa's vehicle makers. For most of them, the past five years have been either boom or bust, with little in between.

Besides Toyota, the two most successful companies have been the local subsidiaries of Daimler-Benz and BMW, despite the high price tag on their models.

Daimler-Benz has increased its shareholding in its local operation, United Car and Diesel Distributors (UCDD) from 36.7 per cent to 50.1 per cent, while BMW recently completed a R100m ($80m) expansion programme at its factory near Pretoria. In both cases, the South African manufacturing capacity is the biggest outside West Germany.

Heading the loser's league is Sigma, the Anglo-American subsidiary (in which Chrysler used to have a 25 per cent stake) which makes Peugeot, Mazda and Mitsubishi vehicles. Sigma lost R55m in 1982 and a similar amount last year.

A new chief executive has spent the past year restructuring the company from top to bottom, but towards the end of 1983, Sigma was still losing market share as a result of a slipping reputation for quality, its inadequate dealer network and supply problems.

General Motors has also slid back in the market, and is understood to be looking for a local partner or a buyer for its Port Elizabeth assembly plant.

Textiles sector loses tariff walls

THE CLOTHING and textile industries vividly illustrate Pretoria's industrial policy dilemmas.

Thanks to high tariff walls and quota restrictions, South Africa has become virtually self-sufficient in run-of-the-mill garments and fabrics, and in some specialised lines too. Domestic textile producers now supply 90 per cent of the market for knitted fabrics and 85 per cent of cotton fabrics. Recent advances have included stretched and striped denim, and a plant is currently being set up to manufacture nylon carpet yarns. Garments still imported consist mainly of infant's clothing, knitted articles and exclusive, high-fashion items.

The clothing and textile industries make a substantial contribution to overall economic activity. Sales by the former reached R1.4bn in 1982, while the value of textiles sales was about R1.1bn, more than half of it woven fabrics. The two sectors are also among the most labour-intensive in the economy, contributing greatly to black employment.

But local producers cannot compete on cost with other countries, especially in the Far East. It takes an average of 38 minutes to make a man's shirt in South Africa, compared to six minutes in Hong Kong. According to recent calculation, local synthetic fabric prices are between 50 and 250 per cent higher than those in most other countries.

Demands

The recent history of the textile and clothing industries has been one of mutual mudslinging concerning the ability of textile producers to meet the demands of clothing manufacturers, and the textile sector's complaints of inadequate protection against imports.

The controversy culminated in the appointment of a commission of inquiry in late 1981 headed by a former trade official and academic, Prof Willem Steenkamp. The commission's report, published late last year, has by no means satisfied business interests, especially now that the Government is pressing ahead with moves to lower import barriers.

The Steenkamp report confirmed that "South Africa appears to have over-protected certain sectors of its yarn, fabrics and garment industries.... While the over-protected sectors cannot now be sacrificed by exposing them to the full blast of foreign competition, the time has come that they justify their continued existence." The commission proposed that import quotas be dismantled.

Pretoria indicated during December 1983 that it will phase-out controls on clothing and textile imports as soon as they can be replaced by tariff protection. Local manufacturers have been asked to submit applications for new customs duties by June 1984.

The industries are not optimistic that they will receive the protection they think they need against cheap imports. Mr Stanley Shlagman, director of the textile federation, says: "Some of our policy makers are imbued with a missionary zeal to make us the most free-enterprise economy in the world. Whether we like it or not, the world of textiles and clothing is highly protectionist." The increase in import prices caused by the recent drop in the Rand has been offset by formula duties which are less onerous of higher-priced articles.

Manufacturers hope that red tape will delay the removal of import controls until the economy picks up. Output of worsted fabrics for men's wear plummeted by 40 per cent last year, while the clothing industry has had to reduce its workforce from almost 130,000 to 110,000.

But economic recovery will almost certainly revive the back-biting. As one clothing expert puts it: "What we're afraid of is that when things pick up, the retailers will want deliveries yesterday. We'll squeal to import fabrics and the retailers will squeal to import garments."

Electronics in difficulties

FOR THE first time in a decade, many sectors of South Africa's electronics market are in the doldrums, deflating one of the country's fastest-growing markets for foreign suppliers and contributing to a sweeping rationalisation of its electronics industry.

The recession and fierce competition have pared profits in the computer trade, whose revenues soared by 30-40 per cent a year in the late 1970s and early 1980s to reach almost R1bn ($800m) in 1983. One well-known software house and a hardware supplier have gone to the wall, and the chief executive of Barlow Rand's computer subsidiary was recently reported as saying that, with the notable exception of his company and IBM's local subsidiary, most suppliers are currently in the red.

A tailing off in defence orders and the steep downturn in capital investment has hit other sectors of the electronics and allied industries. Barlow Rand's electronics and general engineering division suffered a profit decline of almost one-third in the year to September 1983, and forecast that it "will be hard pressed (this year) to achieve a significant increase in sales in real terms in its traditional business areas."

One exception is telecommunications. The Post Office is expanding the installation of electronic telephone exchanges and developing its Beltel viewdata service, while many companies and public corporations have bought sophisticated PABX systems in the past year or two. Allied Technologies (Altech) ascribed the 31 per cent jump in its net profits in the six months to June 1983 largely to strong sales of telecommunications equipment and components.

Barlow Rand and Altech have emerged as the undisputed giants of the South African electronics industry. Barlows recently brought its electronics, power and industrial engineering interests under the single umbrella of Reunert, a listed company which has been transformed in the past four years from a stodgy family business into a diverse group with annual sales of about R900m.

Restructured

Reunert's offshoots include GEC South Africa, in which GEC of Britain has a 50 per cent stake and which itself has been extensively restructured, and AEI Henley, manufacturers of PABX telephone systems. During January 1984, Reunert bought a 25 per cent stake in ATC, the country's largest supplier of telecommunications cables.

Cables have also featured prominently in the reorganisation of Altech which, ironically, had its eye on the original Reunert group before Barlow Rand took control in 1980. Altech, through its sister company Powertech, last year bought a substantial interest in ASEA Electric, the cablemaker in which ASEA AB of Sweden owns 24.9 per cent. As part of that transaction, Anglo-American Industrial (AMIC) gained an entry into the electronics business by becoming a minority shareholder in the Altech group.

A further restructuring is presently taking place to bring the group's telecommunications and electronics activities together under the Altech umbrella, with power, electrical and energy industries to be concentrated in Powertech. The market capitalisation of the entire group, which has ballooned since its reverse takeover of STC's local subsidiary in 1977, is more than R1bn.

Both Altech and Reunert are actively looking for further acquisitions, both in South Africa and abroad. One area which appears to be a high priority for both companies is the gradually expanding market for industrial robots in South Africa.

Long-term view on power

The future for suppliers of power station equipment to the Electricity Supply Commission (Escom) looks much less rosy now than it did a year or two ago.

Escom is pressing ahead with an ambitious expansion programme, aimed at doubling the country's electricity generating capacity to about 40,000 Mw. What worries suppliers, however, is that to reach this target will take considerable longer than was planned.

Mr "Blitz" Bieber, chief executive of NEI Africa, Northern Engineering Industries' local subsidiary, observes that "our concern is not the immediate future, but 1985-86 and beyond that."

NEI subsidiaries have contracts to supply pressure components for two of the country's six new power stations. The stations were hurriedly planned during the 1979-81 boom when Escom feared that rapid economic growth — especially of power-hungry gold mines — would leave South Africa short of electricity towards the end of the decade. Disruption of power flows from the Cabora Bassa dam in Mozambique, which was expected to provide about 8 per cent of South Africa's electricity needs, further increased the pressure to rush new capacity into service.

Purchases

Escom has been one of the world's biggest customers for power station equipment in recent years. Its boiler purchases are estimated to have totalled a quarter of the world market. The commission is careful not to put all its eggs in one basket and contracts have been awarded to British, French, West German, U.S. and Japanese companies.

Turbine contracts have been shared between GEC, MAN, Alsthom Atlantique and Kraftwerk-Union, while L. and C. Steinmuller, Babcock Engineering and Combustion Engineering are the main boiler contractors.

Things began to get more difficult about 18 months ago when it became clear that the recession would be longer and deeper than most economists had forecast. Escom's construction programme is based on a 6-7 per cent annual growth rate in electricity demand, but consumption rose by only 2.5 per cent in 1982 and hardly at all last year. Sales are likely to stagnate again in 1984.

The impact on Escom's finances of the slump in demand is compounded by the drought and the commission's inability to raise tariffs sufficiently to cover rising costs. Water shortages have forced it to reduce operations at some of its most cost-efficient power stations and large investments have been needed to ensure the continuity of water supplies to the biggest stations in the eastern Transvaal.

Escom won plaudits for raising its tariffs by only 6 per cent this year—but this increase assumed a 7 per cent growth in demand, which is clearly unrealistic.

Not surprisingly, the commission has announced delays in its expansion plans. Work on one power station has been slowed by a year, while construction of the sixth station, known as Lekwe, will now begin in 1986, two years behind schedule.

One of the two 920 Mw units of South Africa's first nuclear power station, at Koeberg, north of Cape Town, will be commissioned in mid-1984. The other is due to be connected to the national grid late this year. Start-up was delayed a year after extensive damage by saboteurs in 1982.

The vulnerability of a nuclear installation to sabotage and the controversy over nuclear power are unlikely, however, to discourage construction of a second, and perhaps a third, nuclear station along the southern Cape coast over the next two or three decades.

Homelands face unequal struggle

THE CREATION of ten "homelands" for blacks of different tribal origins, four of which are now independent "national states," is one of the most contested aspects of South Africa's ideology of separate development.

The policy, which its supporters claim is intended to end white domination over blacks and allow the latter to manage their own affairs in their own traditional regions, has been found wanting by its critics at home, and particularly abroad, on every conceivable level.

The objections range from the purely human one of abhorrence at the mass resettlement of people in areas where they do not want to live—some 3m are estimated to have been moved to the homelands from other areas of the republic since 1960—to criticism of the amount and quality of the land blacks have been allocated.

Though numbering more than 22m out of a total South African population of 30m, blacks have been given no more than 13.7 per cent of the country's total land area for their homelands, some of which are broken up into small non-contiguous parcels of territory.

The continued economic and financial dependence of the homelands on South Africa, the need for 70 to 80 per cent of their male population to find work in the republic and the extreme poverty of the remaining inhabitants, has provoked a spate of criticisms which Pretoria has found difficult to answer.

Fears

South Africa has been accused of creating small, non-viable states incapable of independent development—in short, balkanisation—for the sole purpose of safeguarding white rule in the country.

The virulence of the criticism levelled at South Africa often fails to take into account the very real fears and concerns of a long-established white population of 4.5m, which is already outnumbered almost six to one by other races in the country and which will see this ratio increase even more to its disadvantage as the years go by.

Nor can it be denied that there is a growing body of young South African civil servants and academics who, without to much hope and many misgivings, are anxious to try to make the homelands experiment work because it at least offers a theoretical opportunity for black development.

The idealism and devotion of the few, however, does not invalidate the general criticism made of the homelands project: that it is based much more on the urgent concern of the white population to perpetuate its dominance than the needs and aspirations of the blacks.

The basis for today's separate development policy was laid as long ago as 1913, only three years after the foundation of the Union of South Africa, when the Native Land Act provided for "scheduled areas" reserved for black ownership and occupation. At the same time, blacks were prohibited from buying land beyond their borders.

It was not until 1959, however, that Dr Hendrik Verwoerd, "the architect of apartheid" as he is known, though he was by no means first in the field, revealed his vision for separate development in the form of black homelands.

He envisaged that the white man would rule over his own powerful nation, though somewhat reduced geographically, while the blacks would be in control of their particular areas. In one of the most revealing statements ever made on the subject, Dr Verwoerd said that the choice was between "an assured white state in South Africa" and an integrated state "in which the Bantu must eventually dominate."

The creation of independent black states within the borders of South Africa was not the end of the vision, however. Verwoerd also saw the homelands as an opportunity to build what his successor, Mr B. J. Vorster, subsequently described as a "constellation" of southern African states, with close political, economic and even military ties.

That ambitious project, which was later expanded by Mr Pik Botha, the present Foreign Minister, to embrace 40m people "south of the Kunene and Zambesi rivers" has already become no more than a pipe dream, partly for the very reason that it includes the homelands.

The four homelands which, since 1976, have become independent nation states within the South African republic—Transkei, Bophuthatswana, Venda and Ciskei—have failed to win international diplomatic recognition because of hostility to the whole policy of separate development.

Moreover, the outspoken and respected leader of another self-governing homeland, Chief Gatsha Buthelezi of Kwazulu, has made it clear that he does not wnt his state to become fully independent because that would mean abandoning any h--- of an integrated South Africa.

However, it is on the economic plane that the failure to realise Verwoerd's scheme for genuine separate white and black development based on separate territories has been most striking. Economic independence is out of the question for most homelands which, with the possible exception of Bophuthatswana which has an

Chief Gatsha Buthelezi of Kwazulu: outspoken leader

important mining industry within its borders, still have essentially rural economies and primitive ones at that.

For some semblance of economic independence to be achieved, the economic growth rates of the homelands would have to be sufficiently high to absorb not only the increase in their own populations but some of the Africans working in the cities of the common areas of the country as well.

That has not been the case for most of the period since the mid-1950s, during which the proportions of output generated by the homelands and the common areas of South Africa have remained essentially the same.

According to recent estimates by U.S. economists, and in the absence of any really up to date figures, the GNP of the homelands was still less than 5 per cent of the South African total at the beginning of the present decade.

A survey of black development published by the South African Economic Research Bureau, Benso, in 1982 shows that, on average, the per capita output of the republic was 16 times greater than that of the black states within its borders. Taking a typical example, output per head of the republic, not including the homelands, was R3,284 ($2,630) in 1980, compared with R234 in the Transkei, R440 in Bophuthatswana and R124 in the self-governing but non-independent state of Kwazulu.

It is true that a comparison of gross national income statistics shows a much smaller gap between the two sets of figures, with the republic-black states ratio dropping to 8 to 1 in the case of Transkei and even to 4 to 1 in the case of Bophuthatswana. But this is entirely due to the remittances of migrant workers in the common regions of Africa and merely underlines the great dependence of the black states' economies on that of the South African republic.

That dependence, far from becoming smaller, is in fact increasing. The proportion of the homelands' GNP generated by workers employed outside their boundaries has risen from 54 per cent in 1960 to 69 per cent in 1970 and to 72 per cent some six or seven years later.

Indeed, the shortage of employment opportunities is such in the black homeland states that only 20 per cent of the population classified as economically active actually worked there in 1980, according to the Benso survey. Of the remaining four-fifths, a third was unemployed and two-thirds commuted to work in adjoining white regions.

The absolute number of migrant workers is nothing less than staggering. The number of male workers employed outside the homeland boundaries in the common areas of South Africa has risen from 500,000 or so in 1950 to more than 1.5m—some estimates even put the total as high as 2m—in 1980.

To this figure must be added, for the purpose of comparing the economic situation of the homelands with that of the republic, the growing number of daily commuters from the homelands to adjacent common areas, which has risen by leaps and bounds over the past few years to 740,000 in 1981.

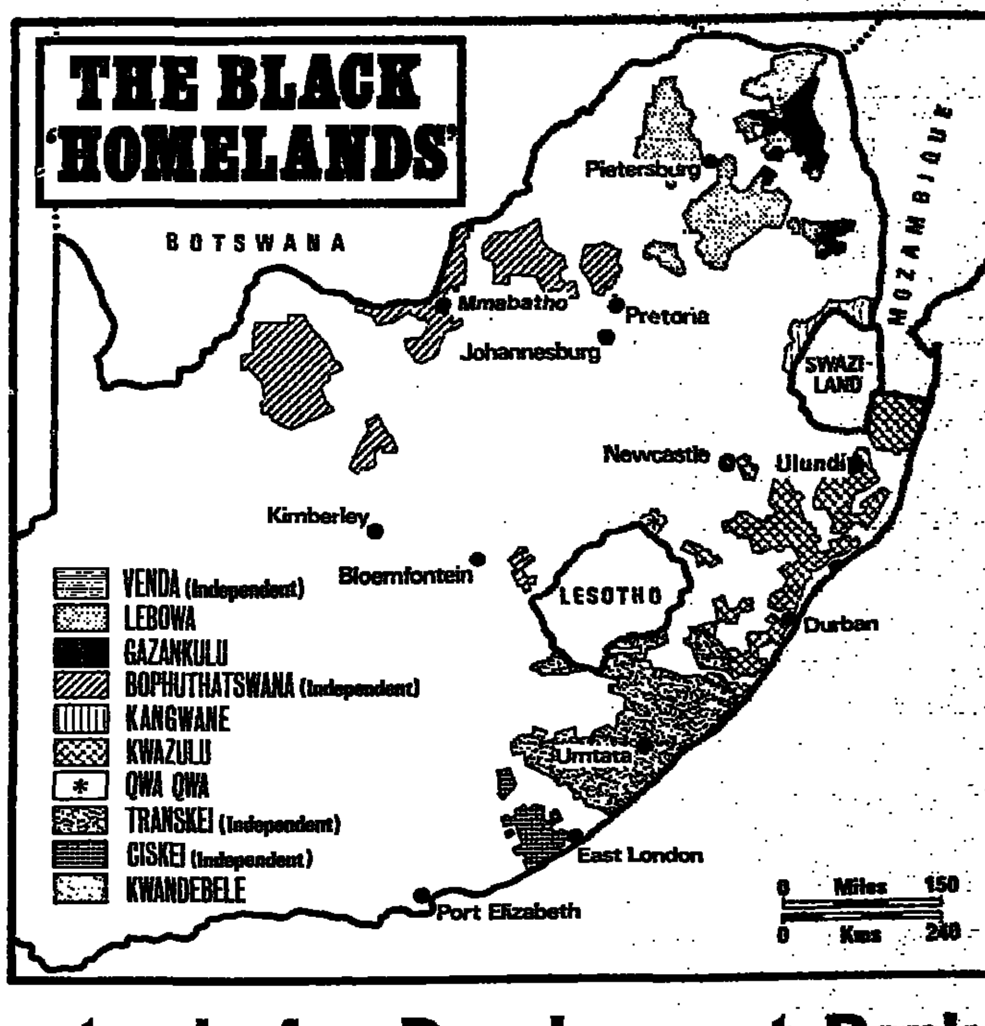
These labour statistics are eloquent enough. When they are seen in conjunction with the fact that South Africa provides, through budgetary transfers, more than half of total homeland revenues, the extent of the black states' economic dependence on Pretoria assumes its full significance.

Little wonder that it is now widely accepted, even within *ruling National Party circles*, that separate development can never work the way it was originally intended. A new approach adopted by some experts has as its objective the extension of homeland borders closer to economic growth points in the white areas, the transfer of some white towns to the homelands and the incorporation of some urban black areas in the homelands.

Yet such developments would go no more than a very little way to solving the crucial problem of the urban black resident, who strongly contests the homelands policy and feels no affinity for the supposedly historic ethnic region to which he has been, or will be attached one day, against his will.

If anything will give the final blow to a policy which has been internationally discredited and has been found to work very inadequately in practice, it will be the growing demands by the urban blacks for political and economic rights in the place where they live and work.

Robert Mauthner



Doubts about role for Development Bank

THE DEVELOPMENT Bank of Southern Africa, which was set up last year with an initial authorised share capital of R2bn, is destined to become the main vehicle through which South Africa will channel development aid to the poorer states of southern Africa in the form of soft loans.

There can be no doubt that the original intention behind the bank's creation was that it should become an institution of development aid and economic co-operation for the whole of the region.

The Pretoria government would have liked to see its membership extend to countries like Botswana, Lesotho, Swaziland and Malawi, as well as the "homeland" states of southern Africa. This would have been in line with its vision of a "constellation" of southern African states, which would co-operate closely in the political and economic fields.

As in other areas, however, South Africa has had to reduce its ambitions when faced with suspicions about its political motives on the part of most of the southern African states outside its borders. It has thus had to be content with only a five-nation membership of the bank, made up apart from itself, of the independent homeland states of Transkei, Bophuthatswana, Venda and Ciskei.

The other self-governing but non-independent states within South Africa will participate in the bank's operations and will be eligible for loans, though they are not shareholders and therefore have no voting rights.

Dr Simon Brand, the bank's chief executive, emphasises that the bank will be involved only in capital expenditure in areas previously the responsibility of government departments and government agencies, such as the development corporations of the independent homeland states.

Though the South African Government will continue to make some grants in aid to the independent states within its borders, the loans previously channelled through the Departments of Foreign Affairs and Information and of Co-operation and Development to the various states will henceforth be handled by the Development Bank.

The loans from the bank will be strictly tied to specific projects or programmes. Most of them will be infrastructure projects on which the direct financial returns are not normally high enough to service loans granted on commercial terms.

Contribution

The banks will not be lending directly to the private sector, though it is prepared to give loans to development corporations to on-lend to private industrialists.

The financial resources of the bank will be its share capital, loans raised in the domestic and foreign capital markets and contributions made to a development fund by its members.

Of the initial authorised share capital of R2bn ($1.6bn), only R200m will be taken up by the five members in the first five years. This leaves the remaining R1.8bn as a liability of the member governments against which loans can be raised in the capital markets.

Since the projects for which the bank will give loans to participating governments will, in general, not yield market interest rates or offer market redemption conditions, Pretoria has offered to contribute R300m per year to the bank over the first five years of its existence. This total sum of R1.5bn will be paid into a development fund to be administered by the bank.

Dr Brand said the bank had already approached banks in Europe, mainly in the UK, West Germany and Switzerland, with a view to an eventual bond issue. The initial response from the European bankers had been encouraging but the Development Bank was not quite ready to go to the market and probably would not do so until later this year at the earliest.

R. M.

Black unions seeking redress for inflation-eroded wages

A SPATE OF strikes at the beginning of this year affecting mainly the motor, chemical and mining industries — at a time when the economic recession was generally expected to put a damper on industrial unrest—has set off alarm bells in a number of boardrooms and government departments.

The spectre of revolution is ever-present in the South African psyche, and nowhere is its looming shadow perceived to be more menacing than in the industries almost entirely dependent on a black labour force — which has recently seen the recognition of its trade union rights.

The coming-of-age of black trade unionism has been regarded with such trepidation because it is considered inevitable that, sooner or later, these unions will give priority to political rather than economic objectives.

While this fear in the white political and industrial establishment may well prove to be justified in the longer run, there is little evidence that Armageddon is just around the corner.

Certainly, some unions put a higher priority on political action than others and a number came out strongly against the Government's proposals for a new constitution last year. Several are also conducting a systematic campaign against recent Government plans to put blacks on the same tax footing as whites, without giving them democratic representation in parliament.

Pressures

Yet all the indications are that the current wave of industrial unrest is the result of economic pressures rather than a sudden desire of the new black unions to flex their political muscles.

Faced with an estimated decline in their living standards of some 4 per cent in the year to May 1983, the black population has become particularly vulnerable to double-figure inflation. With economic experts predicting an early recovery in the economy, the unions consider that the time is opportune to press for compensation of their inflation-eroded wages.

Wage claims, however, are not the main reason for most of the present industrial disputes. The recession has been responsible for big lay-offs, particularly in the motor industry. The "retrenchment," as it is called in South Africa, of some 500 workers at Ford's Sierra plant in Port Elizabeth, leading *to the downing of tools by its* workforce, is a case in point.

Prof Roux van der Merwe, Professor of Industrial Relations at the University of Port Elizabeth and one of the country's most respected experts in this field, has pointed out that black trade unions in South Africa have developed in a cyclical way.

They started off by concentrating on economic issues, but when they were rejected by the white trade unions and the state, they became frustrated and politicised, only to become victims of repressive action which led to their demise.

The pattern began in the 1920s when the industrial and commercial workers union (ICWU), with a nationwide membership of 100,000, first made such fundamental demands as black worker representation, job mobility and an improvement in wages. When the union subsequently applied to become a member of the white trade and labour council it was turned down, only to disappear from the scene during the 1930s depression.

During the 1970s, the black trade unions, though still not recognised legally, became more powerful because of the great dependence of South Africa's industrial and business structure on black labour.

It was not until the 1981 Labour Relations Act, which adopted some of the most important recommendations of a commission presided over by Prof Nic Wiehahn, that black trade unions were officially brought into the industrial relations system.

The implementation of some of the more important recommendations of the Wiehahn Commission has certainly brought a much-needed breath of fresh air into the industrial relations climate, but much remains to be done.

Above all, the new legislation has not affected the stringent controls on the mobility of black *labour, specifically the regulations* restricting black workers' rights to work and reside in white urban areas.

A sharp wedge was hammered into those regulations last year when the South African Appeal Court ruled that an employee of a company in the East Rand, for which he had worked for more than ten years, had the right to the notorious Section 10(1) (B) stamp in his passbook, in spite of the fact that he had to return to his homeland every year to renew his one-year contract.

This qualification gave Mr Mehlolo Rikhoto the right to stay in a town without returning to a rural area every year, to buy or rent a house, to change his job and, under certain conditions, to bring it's family to live with him in town. But the possibility remains that the Government might introduce new legislation which would invalidate the Appeal Court's ruling.

The progressive lifting of these controls over mobility and housing might well become an objective of black union action in the future, but for the moment the sights of many of the bigger "emerging" unions appear to be set on more immediately attainable economic objectives.

Active

In this respect, the attitude of Fosatu (the Federation of South African Trade Unions), which embraces such important unions as the National Automobile and Allied Workers' Union (NAAWU), the Metal and Allied Workers Union and the National Union of Textile Workers, is significant.

Fosatu, a non-racial but black-led union federation with an overwhelmingly black membership, is probably the most active union grouping in the country and has been involved in more strikes than all the others put together. Hitherto, it has tended to eschew alliances with political groups.

Critical of the tactics of the black union federations in the immediate post-Second World War period, which established close ties with black nationalist movements, Fosatu's view is that such alliances tend to be dominated by a political elite who do not necesarily have the workers' interests at heart.

While that does not mean that it is apolitical — individual member unions have increasingly taken up so-called "community" and political issues — it does demonstrate Fosatu's concern with strictly labour and industrial issues.

Fosatu has taken a pragmatic stand on the two main issues which have been a subject of dispute between the emerging unions. *Many of the latter* initially refused to register with the Government or join the industrial councils which are the centre-piece of the Government's bargaining system. Their reasons were that registration subjected them to unacceptable controls of their finances and membership and that industrial councils obliged them to operate within the system.

Fosatu, on the other hand, finally decided that provided that plant-based bargaining and recognition rights were not sacrificed, affiliates could join industrial councils if that appeared to be of advantage to the union concerned.

The second-biggest grouping among the emerging trade unions is the Council of Unions of South Africa (CUSA), which groups such unions as the National Union of Mineworkers, the Food, Beverage and Allied Workers Union, the Chemical Workers Union and the Transport and Allied Workers Union.

Cusa, once seen as the conservative wing of the emerging trade union movement, has undergone something of a sea change since its foundation in 1980, or at least some of its members have.

The militant National Mineworkers' Union, for instance, has taken an increasingly active part in community issues and on such sensitive and explosive matters as influx control — the body of regulations covering blacks' mobility and residence rights.

Cusa has also committed itself to black leadership of the trade unions and, though its leaders pay lip service to the independence of trade unions from political movements, the organisation has become a member of the radical United Democratic Front and the National Forum Committee.

Fosatu, Cusa and hte General Workers' Union, which represents the dockers among others, already existed before the Wiehahn reforms were put into effect. But there is a second group of emerging unions, the so-called "community" unions, who are post-Wiehahn creations and much more radical than the first group.

Identify

This large group of militant unions, including notably the South African Allied Workers' Union (Saawu) and the Motor Assemblers' and Components Workers Union of South Africa (Macwusa), has not hesitated to identify itself with black political movements. The community unions have even argued that it is their duty to support the black liberation struggle, thus attracting a great deal of police attention.

However, with some exceptions they do not have anything like the power on the factory floor that the Fosatu and Cusa unions have and are therefore less representative of typical black trade union attitudes.

Summing up the current trade union picture in South Africa, Prof Roux van der Merwe wrote recently: "By and large, most black trade unions are not populist movements; they tend to be locality or plant-based and concerned primarily with bread and butter issues. While some may not readily admit it, black unions at present are far more reformist than revolutionary."

That at least is the situation today. The Government will have to pursue a steady reformist path for this judgment to hold good in the years ahead.

R. M.